

THE TIMES 1785-1985 Tomorrow

Vintage investment
How to lay down
your own
wine cellar

Pilgrim's progress
A visitor's guide
to the ancient
city of Canterbury

Bavarian chic
In Munich, but
not just
for the beer

Cricket choice
John Woodcock on the
team for England's
West Indian tour

Portfolio

The Times Portfolio
competition prize of £4,000 (double
the usual amount because no-one
won on Wednesday) was won
yesterday by Mrs Caroline
Angela of Redford, Sussex.
Portfolio list, page 20; how to
play, information service, back
page.

Tomorrow, £22,000 can be won
- £20,000 in the weekly
competition and £2,000 in the
daily.

UK lags in defence deal stakes

Mr Casper Weinberger, the US
Defence Secretary, said no
decision had been made on
whether Britain or France
would win the £3 billion
battlefield communication system
contract, but he hinted that
France was still favourite.

France orders spy shake-up

President Mitterrand, reacting
to new charges this week about
French involvement in the
sinking of the Rainbow Warrior,
has decided that "the time
has come to proceed immediately
with a change in personnel"
in the secret service.

Whites to hang

Two young white South Africans
who raped a black girl and
burned her alive in the boot of
her boyfriend's car were
sentenced to be hanged. Page 7

Trust's chairman

Dame Jennifer Jenkins, the wife
of Mr Roy Jenkins, is to
succeed Lord Gibson as chair-
man of the National Trust. She
is chairman of the Historic
Buildings Advisory Committee.

Teachers go on

Members of the National Union
of Teachers have endorsed
some all-out strikes and a work
to rule in pursuit of their pay
campaign. Page 2

BPCC rise

Mr Robert Maxwell, chairman
of British Printing and Com-
munication Corporation, has
announced half-year profits for
BPCC of £11.4 million, an
increase of 14.1 per cent.
Kenneth Fleet, page 21

Money growth

The money supply (sterling M3)
is still growing faster than the
target rate set by the Govern-
ment. Page 21

Test triumph

Sri Lanka won their first cricket
Test series by drawing their
third and final match against
India in Kandy. Page 27

SPECIAL REPORT

Air Freight is making an
increasing contribution to the
financial well-being of the world
airline industry, particularly on
the key North Atlantic routes.
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Tax on investments abroad to finance Labour loan agency

By Philip Webster, Political Reporter

Investment institutions such as pension funds, life insurance companies, unit trusts and charities will lose their tax privileges under the next Labour government unless they bring back to Britain most of their capital invested abroad.

The Labour Party yesterday published its plans to return about £20 billion of the money invested abroad over the last six years, by withdrawing tax concessions from companies and individuals with more than a given percentage of their capital, probably 5 per cent, overseas.

The money would go into a national investment bank, which would direct investment in Britain and play the central role in Labour's proposals to regenerate industry.

Pension fund money and other repatriated capital invested in the bank would have absolute security, underwritten by the Bank of England and guaranteed a rate of interest at the present market rate.

The new bank would be required to make loans and place investment according to commercial criteria, under the proposals unveiled by Mr Roy Hattersley, the Shadow Chancellor.

Companies wish to continue investing abroad they could do so but would forgo their tax privileges. For occupational pension funds this would mean that employees and employers would lose tax relief.

Although the scheme would in theory be voluntary, Mr Hattersley said that his judgement was that virtually all of the capital would be repatriated.

The document, *Investing in*

Britain, says: "We believe that the proper place for British savings is British investment... Freedom of choice will remain. But those who choose to invest abroad against Britain's interests will not receive tax concessions."

Mr Hattersley denied an allegation by Mr Norman Tebbit, chairman of the Conservative Party, that the value of pension investments would fall and that people would therefore receive smaller pensions.

He said the actuarial evidence demonstrated that yield from British investment was as high as the foreign return. "The

ment the value of the pound was halved."

"That's Labour's new deal for savers and pensioners. How much would the capital they would be forced to put into Mr Hattersley's bank be worth after a similar round of inflation?" he said.

The Labour document says that "individuals who invest excessively in foreign assets, be they property, bank deposits or securities, will equally lose some of their tax exemptions."

But Mr Hattersley said that it would not apply to families of individuals buying holiday homes, because at present they received no tax concessions which could be removed.

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Mr Hattersley said that it would be built round an existing institution, and disclosed that he favoured Investors in Industry, the long-term investment institution, 15 per cent owned by the Bank of England, in which other clearing banks have a stake.

It is understood that Labour leaders will soon be having talks with the organization, based in Waterloo, south London.

Mr Hattersley said that in the last six years unemployment in Britain had risen by more than two million, but over the same period more than £30 billion of British money had been invested overseas, creating foreign jobs in the factories of competitors.

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Teachers vote to widen action with all-out strikes and work to rule

By Lucy Hodges, Education Correspondent

The National Union of Teachers announced yesterday that it had won huge support in two secret ballots of its members for intensified industrial action this term that will cause worse disruption than strikes. It also gave details of further strikes, some involving all members, and necessitating more ballots.

Teachers voted by 76 per cent in favour of going on half-day strike to attend local rallies over the next 15 days. In a separate ballot, the eighth conducted by the union in the nine-month dispute, members voted by 88 per cent to do nothing more than teach lessons and mark papers.

The work-to-rule intensifies present sanctions that involve refusal to cover for absent colleagues or to attend parent and staff meetings. That means teachers will refuse to help with development work for the new GCSE examination, to go on school journeys or organize Christmas plays, concerts or sports events, or see parents who call at school.

Mr Doug McAvoy, the union's deputy general secretary, said: "Teachers will do what they are paid to do, teach those in their schools, and nothing more."

He said the ballot results "scotch the view that it is the leadership of the NUT that is continuing the dispute. It is understood by our members and is being continued by our members."

The union, which is responsible for the dispute by virtue of its numbers on the Burnham negotiating committee, announced further action for later this term. There will be another

ballot seeking support for three half-day strikes in October, November and December, to involve all members in every school and local education authority between now and Christmas.

"The value of these is that they will bring home to the public the extent of dissatisfaction by NUT members," Mr McAvoy said. "They will show that it is not limited geographically or to primary or secondary schools."

A further ballot will be held over the next two weeks to seek support for a reintroduction of the two and three-day rolling strikes which were a feature of the dispute last academic year.

The new round of strikes will be selective, to affect certain areas, but the criteria are yet to be decided by the NUT executive.

Mr Fred Jarvis, general secretary of the union, said every member would be sent details of last week's 5.85 per cent formal offer which was tied to restructuring salaries from next September, and which was rejected by all unions. They would be told what the proposals meant for each teacher.

Sir Keith Joseph, Secretary of State for Education and Science, has said that teachers do not know what was contained in this £1.25 billion package which proposed promotions and rises for more than 70,000 teachers on top of the annual pay award.

Yesterday Mr Jarvis said: "For the large majority of the worst-paid teachers, and which includes something like 200,000

teachers who are on average salaries that does not match average earnings, the package offers nothing."

● The second largest teachers' union, the National Association of Schoolmasters Union of Women Teachers, announced the names of five more authorities where industrial action will begin on Monday. They are Avon, Kirkcaldy, Lincolnshire, Lancashire and the Inner London Education Authority (the Press Association reports).

● Mr George Younger, Secretary of State for Scotland, warned Scottish teachers that time was running out for them to accept the latest pay offer. His warning coincided with reports that the Treasury was pressing the Scottish Office to drop its latest offer, of an extra 10 per cent over four years to teachers, if it had not been accepted by the end of October.

● Children in Northern Ireland's 1,000 primary and secondary schools face classroom chaos during the next two months after the NAS/UNT instructed its members in the province to stage a half-day strike, staggered throughout October and November to maximize the impact.

● Thirty-one Cumbrian schools, 26 primary and five secondary, were closed yesterday afternoon as a result of a half-day strike by NUT members.

● Mr Giles Radice, Opposition spokesman on education, wrote an open letter to Sir Keith yesterday saying that schools now faced the prospect of industrial action into next year.

RUC chief studies report on shootings

From Richard Ford, Belfast

The Chief Constable of the Royal Ulster Constabulary was yesterday studying a report into three shootings in Northern Ireland in which six nationalists were killed by officers of an under-cover, anti-terrorist squad.

Sir John Hermon and his senior officers will consider the results of an inquiry, lasting 16 months, by Mr John Stalker, Deputy Chief Constable of Greater Manchester, and a team of eight detectives into the events surrounding the killings. It is believed that the report is critical of the lack of supervision of the specialist anti-terror group.

Sir John, after he has studied the report, will send it to Sir Barry Shaw QC, Director of Public Prosecutions in Northern Ireland.

The inquiry began in May 1984 after the trial of a police constable, accused of murdering

an unarmed man in one of the incidents, was told that he had been ordered by senior RUC officers to concoct a false story of events leading to the shooting of two unarmed members of the Irish National Liberation Army. The officer was subsequently acquitted.

The two men, Seamus Greer and Roddy Carroll, died on the outskirts of Armagh in December 1982 when under-cover officers opened fire, believing that Dominic McGlinchey, at that time the most wanted man in Ireland, would be in the car.

Their killing, by men trained in "speed, firepower and aggression", came after three unarmed provisional IRA members were shot dead in Lurgan, Co. Armagh, a few weeks earlier, by police who fired 109 bullets into their car. A youth aged 17 also died when police opened fire on two men at a hazy night near by.

Revenge attack youth sentenced

Simon James, aged 16, of Lifford, Co. Donegal, was yesterday sentenced to four years' youth custody at Chester Crown Court for leading a revenge attack in which a teenager died.

Mark Harvey, aged 15, was

Sites found for nuclear waste burial

By David Young, Energy Correspondent

The United Kingdom Atomic Energy Authority is close to announcing details of several sites, possibly as many as six, which it has identified as suitable for the burial of radioactive waste.

Mr Arnold Allen, the authority's chairman, said yesterday that Nirex, the body set up to co-ordinate the nuclear waste disposal, had carried out studies of potential sites.

The two original sites identified by Nirex were at Billingham, on Teesside, and Eilstow, in Bedfordshire. The Billingham proposal was abandoned after opposition from the owners of the land and in Bedfordshire the county council is leading opposition.

Mr Allen, who was presenting the authority's annual report, said: "Sea disposal is still suspended."

"Those who raise objections to waste disposal projects should remember that although the waste is being stored satisfactorily at the United Kingdom Atomic Energy Authority and other sites, it is common ground that a permanent and safe solution is needed."



Police search a pond in Southwark for Tina Beechok; (top right) Stacey Kavanagh and Leon Keating, whose bodies were discovered this week.

Police fears of double killing

Continued from page 1

Earlier yesterday, the father of Tina appealed to her abductor to return her safely. Mr Ravi Beechok, aged 30, said: "I assume the same person took Tina as took Stacey because they were both together."

Later, Mrs Beechok went to Southwark police station. "She was the last person we know of to see these two girls alive so she is a crucial witness," said a police spokesman. "She is here to tell us everything she can."

Mrs Beechok was still at the station late last night. Yesterday Suffolk police were trying to track more than 4,000 holiday-makers who stayed at the caravan site in

Great Yarmouth where Leon Keating had been on holiday.

At a press conference police displayed a piece of orange nylon washing line, similar to that used to tie the girl's hands together when she was thrown, still alive, into a ditch at Barton Mills, near Newmarket, after being sexually assaulted.

A police spokesman said they were still trying to find the missing pyjama bottoms the girl was wearing at the time.

Senior detectives believe that the killer of Leon could be the same man who kidnapped Pauline Coe, aged 10, from another caravan site three years ago.

They have uncovered startling similarities between last

week's killing and her abduction.

Both children disappeared after they were left locked inside caravans at East Coast holiday camps, both were sexually assaulted, partly stripped and bound with twine, and items of their clothing were missing when they were found, and both were abducted on September 13 and driven around for several hours before they were abandoned.

Another coincidence is that Pauline, who was abducted from the Bel-Air site at St Osyth, Essex, was left at another site in Great Yarmouth, just two miles from the holiday village where Leon was staying.

Parents warned on whooping cough

By Thomson Prentice, Science Correspondent

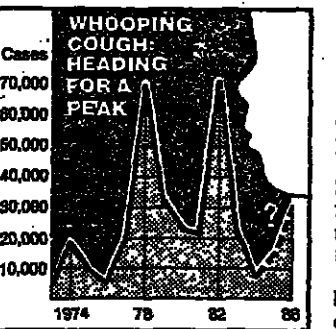
Parents are being urged to have their children immunized as soon as possible before the end of this year and continue until early in 1987.

In a £500,000 government campaign a television advertisement featuring a very sick infant suffering from the illness, which can be fatal, is to be shown this month and in October.

Unless immunization rates are increased the number of cases could at least equal the 1982 epidemic when 66,000 people, most of them children, caught the disease and 13 died. Concern about the side-effects of the vaccine in the early 1970s led to immunization falling from almost 89 per cent of children to the present figure of 65 per cent.

The Health Education Council, launching the campaign yesterday with funds from the Department of Health and Social Security, emphasized that the risks of the vaccine are now known to be far less than the risk of the disease.

The hazards of permanent brain damage have been put at one in 100,000.



Liberals won most in council by-elections

By Hugh Clayton, Local Government Correspondent

The Liberals outshone all other parties including their SDP partners in summer council by-elections, according to the latest survey compiled by researchers at Plymouth Polytechnic. The Local Government Chronicle, which publishes the results today, claims that the survey is the most detailed of its kind.

"These figures should encourage all parties that there is everything to play for," Mr Colin Rallings and Mr Michael Thrasher, who compiled the survey, comment. The survey

included an unusual one-vote result secured by a candidate of the far-right British National Party.

Elsewhere, the Liberals forged ahead and in one ward in Bolton, Lancashire, they took the seat with a margin of 10 per cent lead over the Conservatives after coming third in the last election there in 1984.

"The apparent difficulty of the SDP to gain an electoral performance may well add to the political strains now seen within the Alliance," the compilers comment.

LOCAL ELECTION RESULTS				
Con	Gains	Lost	Net result	
Lab	25	22	3	+32
Lib	60	231	171	+6
SDP	137	68	69	+115
Ind	45	6	39	+38
Others	14	18	4	-29
	5	6	1	no change

Source: Local Government Chronicle

Scargill gets £1m damages writ

By Staff Reporters

National Union of Mineworkers leaders came under fresh pressure yesterday to come to terms with the courts after Mr Michael Arnold, the Official Receiver, issued a writ against them.

The Civil and Public Services Association executive decided not to pay a £10,000 printing bill for the NUM after counsel's opinion that it would be contempt of court.

The decision, reversing a conference decision, reflects a rightwards shift in that union, but may also make other unions think again about giving financial support to the NUM which might make them liable for fines or legal penalties.

It was confirmed yesterday that Mr Arnold had issued a writ on Wednesday claiming restitution of union property and damages for breach of trust from Mr Arthur Scargill, NUM president; Mr Michael McGahey, vice-president; Mr Peter Heathfield, general secretary, and six banks involved in the transfer of £8.5 million of union assets abroad to avoid sequestration.

If Mr Arnold is successful, Mr Scargill will be personally liable for the loss of more than £1m through fines and sequestration.

The union's lawyers say Mr Arnold's move is a ploy to undermine their application to have him removed as receiver.

The Colliery Officials and Staff Association, a part of the NUM, is submitting membership contributions to Mr Arnold and is being reimbursed to cover administrative costs.

Transport and General Workers' Union leaders gave a strong hint yesterday that in the event of a clear division between the NUM and the Colliery Officials at the Labour Party conference they will again throw their weight behind the miners.

The move came as Mr Neil Kinnock, Labour leader, repeated in uncompromising terms his rejection of the NUM's motion to the party conference in Bournemouth calling for a guarantee of the reinstatement of all dismissed miners and reimbursement of up to £1 million.

The 18,000 South Wales miners have been instructed not to take part in a demonstration planned outside the Court of Appeal in London next month in support of two colleagues, Russell Shankland and Dean Smith, who are charged with life for the murder of a taxi driver, a miner, in 1984.

South Wales miners have set work records since the strike. Productivity has risen by more than 30 per cent.

The area's losses almost doubled to £188 million, in the year of the strike.

The coal board wants to close a colliery, north of the area, within the next six months. The pit, one of the deepest in Britain, could lose up to £2 million this year.

Correction

The verdict on Mrs Mary Armstrong and Mr Ted Williams, who died when their car in June, were accidental death not manslaughter as stated on September 18.

British TELECOM

FIRST QUARTER RESULTS
30 JUNE 1985

	1985	1984
Turnover	£2,005m	£1,812m
Operating profit	£512m	£453m
Profit before taxation	£443m	£319m
Profit attributable to ordinary shareholders	£245m	£204m
Earnings per ordinary share	4.1p	3.4p

- Turnover up 11%
- Profit before taxation up 27%*
- Earnings per ordinary share up 17%*
- Outlook for year remains favourable

*After adjusting for changes in capital structure in 1984

The unaudited figures above are extracts from the interim report, a copy of which may be obtained by telephoning 0345 010707 (local call charge only within UK) or Bristol (0272) 276153, or writing to Investor Relations Office, British Telecom Centre, 81 Newgate St, London EC1A 7AJ. For daily information on the British Telecom share price, dial Shareline on one of the numbers given below. London 01-246 84002 Birmingham 021-246 8056 Edinburgh 031-447 0233 Glasgow 041-248 4002 Liverpool 051-488 0797 Manchester 061-246 8050 Belfast (0232) 8030 Bristol (0272) 215444 Cardiff (0222) 8037 Leeds (0532) 8038

Minister challenges Kinnock on rate rebels

By Hugh Clayton and Colin Hughes

Mr John Patten, the new Minister of Housing, said yesterday that Mr Neil Kinnock, the Labour leader, should repudiate demands from rebel councillors for retrospective laws to wipe out penalties for "wilful misconduct".

"He has not come down and condemned what is happening in Liverpool," Mr Patten said in his first policy speech after being transferred to the Department of the Environment on Monday.

"He must say that the Labour party is dead against retrospective legislation in this respect," Mr Patten was speaking at the annual conference in Southport of the Labour-dominated Association of Metropolitan Authorities, of which Liverpool City Council is a member. One heckler told Mr Patten that he

was "a pompous Thatcherite twit".

Labour's leadership was caught between competing demands from Mr Patten and from Liverpool Labour councillors who face penalties for "wilful misconduct" from Mr Tim McMahon, the Merseyside district auditor, and who are demanding more government aid for the city.

Mr Derek Hatton, Labour deputy leader of the council, joined Mr Ted Knight, leader of Lambeth council in London, in demanding a pledge from Labour's national leadership to set aside penalties imposed this month by district auditors.

Mr Jack Straw, a Labour parliamentary spokesman on the environment, said at the conference that it would be "fruitful" to make a pledge now. He said after meeting Mr Hutton and other Liverpool councillors: "We have always

unequivocal lead in saying that they will not support law-breaking, and that they will not support retrospective law."

Mr Hutton demanded an "absolute commitment" from the Labour leadership: "It is not just the city council involved in this struggle, but the whole Labour Party," he said at the conference.

Behind the dispute lies a determination by the city council not to comply on any scale with government demands for cuts in manpower or spending projects. Liverpool has one of the highest rates of council house building in Britain and has consistently gone against the "wreak" throughout local government of an erratic but persistent cut in the labour force.

Several factors distinguish the Liverpool crisis from

Mr Lowes, who pledged to protect the needy.

supported Liverpool's case for help along with other cities.

Mr Patten said: "I greatly regret that no one from the Labour Party or the Parliamentary Labour Party as a whole has thus far given a clear and

arguments between other Labour-led inner city councils and the Government. One is that Liverpool is the only council to be operating a clearly defined deficit budget in which income is designed to fall short of spending in the hope of leveraging spending power from the Government.

The gap is £80 million which could be bridged either with severe spending cuts that would provoke industrial action, or with bringing forward spending planned for next year.

In neither case would the cut have exceeded £30 million. The rest would be secured through an automatic drop in the Government's penalty for spending above the target set by ministers.

The penalty becomes more severe as spending soars above the target.

Uncertainty fuels rumour about troops

From Peter Davenport, Liverpool

A measure of the uncertainty that prevails in Liverpool, where council workers are due to strike from Wednesday, can be gauged from an incident involving Radio City, the local commercial radio station.

An Army public relations officer made a hurried call to it news-desk to ask the station to broadcast that the 5,000 troops in convoy through the city were Dutch soldiers heading for a Nato exercise in Scotland and had not been ordered in by the Government to man essential services during the strike.

There had been rumours that troops had been put on standby to move into Liverpool if the Government appointed commissioners to run the bankrupt city and that plans had been drawn up to evacuate children in council care to homes in the Isle of Man.

Just what effect the strike will have on the day-to-day lives of

the half a million citizens of Liverpool is unclear. There are simply no precedents.

With only five days to go before the stoppage, union leaders in charge of planning the action admitted yesterday that they did not know how much support their call would command and what services would be protected.

After meeting for several hours the only guarantee that the joint shop stewards' committee, representing the 30,000 council employees, could give was that the dead would be buried.

Other details of what essential services would be protected will not be disclosed until late on Tuesday evening, at the same time as the results of the strike ballots.

The meeting of the shop stewards, who have in effect taken over the confrontation with the Government from the

city's Militant Labour councillors, had been expected to draw up a list of essential services.

They decided instead to form a sub-committee to draw up final plans.

Mr Ian Lowes, chairman of the Environment, threatens to call in a commissioner to run the city, which by now has debts of £22 million, if it continues to defy Whitehall spending limits.

February 22, 1984: Mr Jenkins refused to raise Liverpool's spending target by 30 million. The council leader, Mr Derek Hatton, says the council would not accept an illegal budget.

March 1984: Liverpool's militant Labour councillors say they will vote to raise the council's budget, thereby ending Labour's majority on the council.

March 22, 1984: Mr Neil Kinnock said that the council's plans, which included setting an illegal budget, would be "unacceptable".

28 months of conflict and counter-threat

May 6, 1983: Militant-dominated Labour group captures Liverpool council.

July 30, 1983: Mr Patrick Jenkin, then Secretary of State for the Environment, threatens to call in a commissioner to run the city, which by now has debts of £22 million, if it continues to defy Whitehall spending limits.

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March 22, 1984: One-day strike in Liverpool Labour group, facing defeat, votes a postponement of the council's annual budget after the local election.

May 3, 1984: Labour majority increased to 17.

July 9, 1984: Budget meeting postponed.

July 9, 1984: Labour group accepts a £2.5 million government aid package in return for a budget setting a 17 per cent rate rise.

July 11, 1984: Legal budget is approved.

December 12, 1984: Liverpool and 19 other Labour councils decide not to offer spending concessions.

March 1985: Mr Patrick Jenkin tells "haggling" over rates.

June 14, 1985: Liverpool fixes a legal rate and deficit budget.

September 9, 1985: Liverpool councillors are sent a "wilful misconduct" in delaying the setting of a legal rate.

September 12, 1985: Council shop stewards call an indefinite strike in support of the council.

September 17, 1985: Government refuses to allow Liverpool to borrow £25 million.

Pupils return as Aids boy's parents call for greater understanding

By Thomson Prentice
Science Correspondent

The parents of a boy aged nine infected by Aids said yesterday they understood the reaction of other parents who are keeping their children away from his school.

The boy's father said: "They are doing the same thing that we are trying to do; they are looking after their children. The only thing is, when they come to a decision, that decision should be made not on ignorance but with as much information and understanding as possible."

The parents said they still kissed and cuddled their son, identified only as Peter, and treated him as they had always done. The boy, a haemophilic, developed antibodies to the Aids virus after receiving a contaminated blood-clotting agent. He is not suffering from the disease itself.

His parents said they informed the school, Scantabout Primary in Chandler's Ford, Hampshire, "without hesitation". But when his condition became known, about a quarter of the 100 pupils were kept at home by their parents.

Only 21 children were absent from the school yesterday after parents were addressed on Wednesday night by Dr Anthony Pinching, a leading Aids specialist. A total of 46 was absent on Wednesday.

The boy's parents agreed to be interviewed by a local news agency in an attempt to dispel panic while the British Haemophilia Society appealed to the Department of Education also to issue reassurances.

If the end result is that this is out in the open and parents will not be hysterical, that is good," the boy's father, aged 35, a computer systems manager, said.

Peter's mother said that they had no regrets about making his condition known. "We don't want things hidden. We did it so the right precautions would be taken. Other parents must do what they think is right."

Nursery child stays away

A boy aged three who developed Aids antibodies has been withdrawn from a nursery class in Winchester, Hampshire, it was disclosed yesterday.

The boy, a haemophilic, was taken away after consultation between education officials and his parents when he developed the antibodies after receiving a contaminated blood-clotting agent.

A spokesman for Hampshire Education Authority said: "Because it was a three-year-old boy who was only doing part-time classes, the decision was taken to take him out of school, for the time being at least."

He said the action was taken before it was announced that a boy aged nine was being allowed to continue his education at Scantabout Primary School, Chandler's Ford, a few miles from the Winchester area.

The spokesman said the two cases were different as the authority did not have the information about Aids it had gained since the second case, when the decision was made to withdraw the younger boy.

He said the younger boy could possibly return to school before he began full-time education. "There is now a great deal more information than we had last time."

She said that Peter's friends had rallied around, going out of their way to play with him and inviting him to their homes for tea.

At school, Peter is being watched in case he cuts himself. At home, his parents are taking extra precautions while injecting him with the clotting agent he needs, taking care over blood spills and avoiding jabbing themselves with the syringe. "Our greatest fear is that Peter will not be able to lead a normal life, not because of Aids, but because he is a haemophilic," his father said. "Aids is just another problem. We are not running away from it, but it is no good dwelling on it."

Peter, described by his parents as a quiet lad with a sense of humour who likes making model aeroplanes, had rather enjoyed the past few "cloak and dagger" days, dodging the press and watching himself on television going to school with other pupils.

His parents had told him about his condition. "Nothing has been hidden and he is aware of what it means," his father said.

Peter's case is the first of its kind in Britain. In the United States, at least one boy is being educated at home because other parents fear he will infect their children.

The British Haemophilia Society is concerned that the situation at the Chandler's Ford school may be reflected elsewhere. Mr David Watters, co-ordinator of the society, said he had received anxious calls from staff or parents at several schools in the south of England.

He said: "We have asked the Department of Education to try to dispel the current wave of unnecessary and unreasonable panic which is building up."

Transplant surgeons are warned in today's issue of *The Lancet* to screen organ donors for the Aids virus.

Two kidney transplant patients in Brazil developed antibodies to the virus after receiving a kidney each from the same haemophilic donor, doctors report.

The doctors recommend that donors, especially haemophiliacs and homosexuals, should be screened for infection by the virus.

An Aids victim aged 29, is to appeal against a court order requiring him to be kept in a Manchester isolation hospital after a doctor gave evidence that to release him would be "very dangerous".



The parents of the Aids victim, Peter, aged 9, who are seeking to dispel panic

Evidence on Indian jet disaster 'is withheld'

The inquest on 131 people, whose bodies have been recovered from the wreck of the Air India jumbo jet which crashed off Ireland, in June was told yesterday that scientific evidence which could help to explain the disaster, is being withheld from the public at the request of the Canadian Government.

Mr Cornelius Riordan, the Cork Coroner, and a lawyer for the victims' relatives said that the evidence should be made available to them. But Mr Barry Galvin, the State solicitor for the Irish authorities, said if the information was released it could be useful to anybody guilty of causing the disaster.

A dispute over the evidence came when Mr John Hogan, the Cork Regional Hospital Consultant Pathologist, said that during post-mortem examinations on victims he found several green-painted particles of metal in some of the bodies. The particles had been forensically tested but he was not aware of the results.

Mr Galvin said that the forensic report did not come within the terms of the inquiry.

At the request of the Canadian authorities the Irish Attorney General has been asked to keep the document privileged. That document is obviously of interest to the guilty party, if there is a guilty party.

The inquest continues today. More bodies of victims have been discovered, strewn among the wreckage, 6,000 ft down on the seabed off the Irish coast, investigators said yesterday.

Irish satellite gets go ahead to beam TV at Britain

By Bill Johnstone, Technology Correspondent

British viewers could receive television programmes from an Irish satellite years before a British equivalent is launched. A £300 million Irish satellite has been approved by the Irish Government.

Its "footprint", the area in which its beam can be transmitted, can extend from the east coast of the United States to the edge of western Europe.

The Dublin Government said: "Ireland will have the first television satellite in operation in the space it shares with Great Britain. In fact, we could be three or four years ahead."

"The advantage is that we would have a long time to establish ourselves on the international market. It would also give us a major advantage in marketing Irish-made programmes for television."

The licence has been awarded to a consortium, Atlantic Satellites. The Irish Government receives a 25 per cent stake without a requirement to invest.

The decision will shock many television industrialists in Britain who vacillated about investing in satellites and after two years of indecision aborted

the project this summer. The Independent Broadcasting Authority has been attempting to revive the project by inviting interested groups to apply for a franchise.

Britain could become the major satellite television market for most of Europe unless it launches a spacecraft and is able to control transmissions from outside its borders. France has plans to launch a television satellite next summer.

Mr Robert Maxwell has a 20 per cent stake in that project. The four channels are expected to be able to reach an audience in western Europe of 150 million, through a £500 antenna mounted on roofs. At least one channel will be in English.

The satellite race began in 1977 when most countries in Europe were each awarded five channels for these direct transmissions. The areas covered by some satellites overlapped, particularly over adjacent countries.

The Irish channels' content have not been finalized but they would provide a substantial market to British programme makers who could broadcast over Europe.

City clears chaos after 3 inch deluge of rain

By A Staff Reporter

Glasgow was yesterday clearing up the chaos left by almost three inches of rain which deluged the city in 24 hours.

Emergency services were swamped with calls, the underground system was shut down and many roads were under water.

In Renfrewshire, firemen and police responded to hundreds of emergency calls and many cars were abandoned on roads to the west of the city.

Bans on non-essential uses of water should be made easier to impose and the law should be changed accordingly before the

next drought. The Water Authorities Association says in a report on last year's drought, published today.

In a letter accompanying the report, Mr Len Hill, chairman of the association, urges Mr John Patten, Minister of State in the Department of the Environment, with responsibility for the water industry, to amend the legislation for the granting of drought orders "and so be ready if trouble comes".

Drought 84 (Water Authorities Association (Publications), Queen Anne's Gate, London SW1H 9BT, £3.50).

Weather forecast back page

Equality commission head denies sexism

The chairman of the Equal Opportunities Commission said yesterday that commissioners on the selection committee for the post of chief executive had agreed to exclude another commissioner from the short-list.

Lady Platt told an industrial tribunal in Glasgow that she could not see Professor Angela

Bowley, a part-time commissioner, in the £30,000 post.

Professor Bowley, aged 44, from Arbroath, Dunbartonshire, is claiming she was discriminated against when she applied for the job, which was awarded to a man.

She holds the chair of business administration at Strathclyde University.

Lady Platt said on the fourth day of the tribunal: "I do respect Professor Bowley as a woman of considerable talents and ability in the unusual position of being a woman professor at a university. But what we were considering was the appointment of our chief executive."

The hearing was adjourned



The three acquitted doctors outside Bodmin courthouse (left to right): Stuart Davison, John Blount-Baker, James Lunney.

Village doctors acquitted over drug supply to shop

Three doctors who supplied restricted drugs to a village shop did not break the law, a jury decided yesterday.

A four-day trial at Bodmin Crown Court ended with the acquittal of Dr John Blount-Baker, Dr Stuart Davison and Dr James Lunney, of the Surgery, Tintagel Terrace, Port Isaac, Cornwall. The jury returned not guilty verdicts after less than 20 minutes.

The prosecution had been brought by the Pharmaceutical Society of Great Britain, which regarded the trial as a test case. The society had claimed that the drugs - which consisted of a

painkilling spray for wasps, a child's analgesic, and antibacterial throat lozenges - should have been available only from a qualified chemist. The nearest chemist is more than four miles from Port Isaac.

The doctors had supplied a large quantity of goods to Mr Gratlam Woods, a local shopkeeper, in 1983. They said they did not know that among the items were some which are known as "pharmacy only", and are on a list of drugs which the society says should be restricted.

The doctors made no profit from their arrangement.

Club 'barred Asians and fat women'

Fat women, cockneys, Asians and blacks were barred from a West End night club, its former head bouncer claimed yesterday at an industrial tribunal.

Mr Said Abdullah, who is 6ft 7in and known as "Big Max", claims he was unfairly dismissed as head doorman of the Hippodrome in Leicester Square, central London.

Mr Abdullah, aged 29, of Birkdale Avenue, Romford, Essex, said that the club policy was "no blacks, no eastenders, no Indians wearing turbans and no people under 21."

"No fat ladies were allowed in either. That could be a little awkward," he added.

At an earlier hearing, Mr Roger Howe, the club's manager, said that Mr Abdullah was dismissed for being a "bully boy" and using excessive violence. The club had received numerous complaints.

Mr Abdullah denied yesterday that the letters singled him out. He claimed that the management did not give him any official warnings.

Solicitors for the Hippodrome accused Mr Abdullah of making up his allegations but he insisted that there was a ban on Indians and other people.

He disputed the club's claim that he was removed from the front door temporarily for being too violent.

Mr Robert Sales, of Worples Road, Isleworth, west London, a former doorman at the club, said that there was a colour bar and they were told specifically to let in "only a certain class of person".

The hearing was adjourned until October 24.

West Wiltshire District Council is a council with a difference—a big difference. It is run by hard-headed businessmen who have kept the rates among the lowest in the country for many years. The Councillors and top officials are directors of a business—West Wiltshire Holdings Limited—which under its Chairman, George Applegate, is steering a commercial dream into reality.

They are, as he puts it, "turning green blades of grass into jobs".

And White Horse Business Technology Park, which they are creating right in the heart of Southern England, has all the elements of success built into it.

An experienced, professional, indeed entrepreneurial, development team offers an exceptional range of services. It is well able to match any company initiative with its own business-like drive to get things done quickly and efficiently.

The University of Bath—which the Sunday Times described as "the success story of the technological universities"—is only 20 minutes away.

West Wiltshire Holdings Limited and Bath University have joined forces in the creation and operation of the Park. The university's own company, South Western Industrial Research Limited (SWIRL), is geared to the needs of industry and commerce and will provide backup for companies at White Horse Park. SWIRL will have a highly sophisticated analytical and chemical test house on site. And businesses located at White Horse Park will be able to plug into a wide spectrum of science, technology, information and computer expertise on the University campus.

A comprehensive range of technical and managerial services will be provided. These will include office support services, conference, exhibition and catering facilities, a helpdesk, business advice centre and a highly professional PR/marketing/

West Wiltshire Turning green grass into jobs



Chairman George Applegate (left) and Managing Director Gerald Garland—mapping out a new future for you in West Wiltshire.

corporate design service. Sites are being reserved for banking, financial and secretarial services, and other business-related concerns.

A complete spectrum of companies will be accommodated. New technologies—micro-electronics, computers, aerospace, microbiology, biotechnology, and so on will co-exist with manufacturing units and high quality offices.

West Wiltshire is twenty miles

east of Bristol and only ninety miles west of London. The M4, M5 and A303/M3 are easily accessible. London is 80 minutes by train. The south coast ports are close at hand. Heathrow is less than two hours drive.

Park it will be. So when you look out of your office window you can be sure you won't see anybody staring at you out of theirs. The final ratio of buildings to high quality landscaping on the 70 acre site will be low.

There is a large multi-skilled and highly reliable labour force in the area. The social environment is so attractive that specialist staff will jump at the chance to move there.

West Wiltshire Holdings Limited has all the professional resources and experience to help with any relocation or expansion project. And it can provide all the back-up for companies who wish to start up in an exciting and profitable environment.

Last, but far from least, space costs are dramatically lower than in many other areas.

Construction work on the Park has already started. The first firms taking part are not only getting the prime sites—they are also getting very special deals.

Get all the facts. Contact Managing Director, Gerald Garland, or Roger Pugh, Director, on Trowbridge (02214) 63111 or, if you prefer, write to them at West Wiltshire Holdings Limited, Council Offices, Bradley Road, Trowbridge, Wiltshire, BA14 0RD.

White Horse Business Technology Park —it's a winner!



White Horse Business Technology Park

Bus fare rise attacked

By Our Transport Editor

An expected 20 per cent rise in London's 25p minimum bus fare in the New Year was yesterday condemned as "disgusting" by the Greater London Council.

Fares rose by 9 per cent in January. London Regional Transport confirmed that it proposes a further rise in line with inflation next January.

LRT experts say a 20 per cent rise would allow for the introduction of a 30p flat fare since that is also the maximum in many suburban areas.

Mr Dave Wetzel, chairman of the GLC transport committee, said present government fares policies were "sucking a captive public dry".

Dress rules for women clergy

By Clifford Longley, Religious Affairs Correspondent

The standard dress to be worn by women clergy in the Church of England, chosen by the Archbishops of Canterbury and York, will retain some subtle distinctions between the sexes.

In a guidance note issued today the archbishops favour blue for women, while male deacons will continue in their traditional black.

As the first women deacons to be ordained are likely to be deaconesses, who already wear blue cassocks, the archbishops have chosen not to put them to the expense of buying a new wardrobe.

The ordination of women deacons was agreed earlier this

year by the General Synod, but has yet to receive formal parliamentary approval.

The archbishops have issued their guidance now, however, as some women are entering training this autumn and want to know what to buy. Lambeth Palace called the new dress rules "simple but dignified".

The archbishops clearly want to discourage the use of the metal or wooden pectoral crosses, fashionable among deaconesses but also the mark of a bishop. Those who already possess one may continue to wear it, they say, meaning those who do not, should not.

The guidelines do not recommend the skirt-and-blouse combination as standard dress, although they would be permitted under the proviso that the guidelines "can be adapted to the accepted local custom".

A medal of badge is to be designed to be worn as the distinguishing mark of deacons, probably similar to the small gold cross some priests wear in their lapels when they abandon their roman collars for a tie.

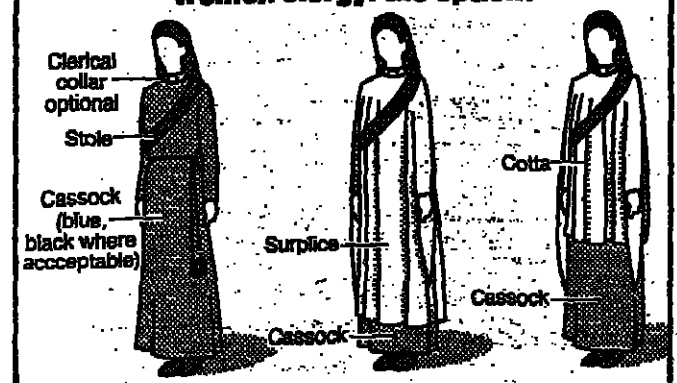
The collar, on which opinion among deaconesses is divided, is to be optional: the cross will be the "consistent mark of identification" of a woman deacon.

The rules for dress in church are closer to what is already worn by male clergy: surplices or cottas (a short surplice) over a cassock. While a blue cassock is preferred, black or white would be acceptable.

As with male deacons, female deacons will wear a stole of embroidered cloth with tassels, over the left shoulder like a shawl, on liturgical occasions.

But in "choir", present but not officiating in a service in church, they will wear a black scarf with a surplice, standard dress for male clergy on such occasions.

Women clergy: the options



SOUTH AFRICA

Apartheid the ideological descendant of the holocaust, Beith says

Reports By John Winder, Anthony Hodges and Sheila Beardsall

Foreign Office ministers were under orders to protect South Africa from 10 Downing Street which had left their deeply embroiled in the international community. Mr Alan Beith, Liberal spokesman on foreign affairs, told the Liberal Assembly in Dundee yesterday.

He told applauding delegates that apartheid was the direct descendant of the ideology of the holocaust.

The assembly passed by large majorities a motion condemning apartheid and calling for embargoes, for termination of the no-visa agreement with South Africa and an EEC ban on South African Airways flights, among other measures.

An amendment moved by Mr Beith was added to the motion noting recent changes and deploring the shameful isolation of the Government in opposing the application of effective measures in the UN, Commonwealth and international community and EEC.

The amendment also condemned the state of emergency. Mr Alan Watson, outgoing president of the Liberal Party, said: "The purpose of sanctions is to prevent Armageddon in South Africa."

He did not believe the argument that sanctions did not work. Mr P. W. Botha would not have agreed to consider the changing pass laws if the economy had not been shaken.

Mr Alan Beith, MP for Berwick-upon-Tweed, said that the case for applying the sanctions and other measures proposed was not that South Africa was alone in denying basic civil rights to millions of its citizens. The club of police states had many members, nor was South Africa the most brutal regime of recent times.

There were different and compelling reasons why apartheid called for a special and massive effort to bring about change.

"It embodies in the government and in the daily lives of citizens what most people believed in their hearts to be the most evil and dangerous doctrine ever preached on earth - that human beings could be treated as inferior on the basis of their race. It is the direct descendant of the ideology of the holocaust."

South Africa was historically and economically tied up with the western democracies and dared to claim that it was defending their values.

The amendment had been tabled because of the rapid dramatic change in South Africa. The screw of repression had been turned even tighter and resistance and oppression had boiled over in the townships. The economy of South Africa had become more vulnerable.

If Mrs Thatcher continued to turn her back on such measures, gay badge - begging our attention not with his wit but with his wily ways. Last year at the age of 28 he opposed Penhaligon for the presidency on the grounds that he disliked the idea of an MP in the job. He failed, although he did get one third of the votes, so this year he has gone straight for the leadership.

ministers' standing in the Third World would be destroyed beyond repair and they would have betrayed the oppressed peoples of South Africa.

"The issue cannot wait for the next general election and an Alliance Government. That may be too late (applause) so the Alliance will fight and fight to change the attitude of this Government before it is too late. The alternative is a blood bath which we have long feared. For peaceful change it is now or never."

Mr John Calvert, South Notts, opposed the motion. He said that South Africa was not the only racist country in the world and other countries committed genocide without a tenth of the condemnation.

It had a democratic constitution even if only for the white minority. There were not many countries where opposition MPs could criticize openly. It was also wrong to disinvest. Britain should invest more and have more ties with South Africa.

Mr Vijay Nair, National League of Young Liberals, said the only people who would benefit from foreign investment in South Africa were the minority whites who ruled with a smoking gun and a bloody sword.

Every Cape apple not bought and every pound withdrawn from Barclays Bank was another nail in the coffin of apartheid, he said.

There are two messages to be learned from this conference: Liberals learn fast and engineers are anything but dull. Accountants may need a swig of vodka to make them shine, but all engineers need is a dose of Liberalism. We have already seen that David Penhaligon, engineer, MP, and from today president of the party, has such a dazzling image as a joker that some believe he should have been left in the pack and not singled out as economic spokesman.

And now we have another engineer (computer software), David Senior, not only cutting a dash with his clothes - one day white-suited, one day black-suited, and always accompanied by bow tie and

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Mr David Senior whose successful rule change yesterday means the party leader faces compulsory reelection in every Parliament (Photograph: John Manning)

EQUALITY

'Pull up sexist socks'

The party's organization was urged "pull up your sexist socks and declare yourself an equal opportunities employer" during a debate on the status of women.

The speaker, Ms Janice Turner, said if the party wanted the support of women, it had to speak for them.

A long, successful motion urged a future Liberal or Alliance government to give priority to policies designed to improve women's position in the labour market; to establish fair pensions for all including an equal retirement age; provide

adequate child care facilities and adequate back up services, and abolish all discrimination on ground of sex or marital status in payments of social security benefits.

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ECONOMY

Penhaligon attacks \$2.5bn borrowing

The Government should join the European Monetary System as a cheaper way of securing financial stability and avoiding currency speculation than borrowing \$2.5 billion, Mr David Penhaligon, Liberal spokesman on Treasury affairs said.

Mr Penhaligon MP for Turro, said the Government was putting a tremendous squeeze on the home budget, which was why it was cutting investment in the infrastructure, but after six years its economic policy was only marginally successful.

Pay claims had not been as low as expected and Britain was importing vast amounts of manufactured goods which cost hundreds of thousands of jobs.

The international value of the pound was higher than necessary, interest rates were high and the Government was risking \$2.5 billion of foreign currency.

The report called for a strategy based on sustainability, partnership, decentralization and enterprise.

It stated: "The long-term decline of the UK economy, growing unemployment and

falling competitiveness are not only causes of dangerous social instability, but the product of a society where economic and political power is too concentrated."

The Liberal's immediate programme, it added, should be capital investment in the infrastructure, an incomes strategy with profit sharing, and a more equitable distribution of wealth and incomes; greater incentives for long-term venture investment; more education, training and retraining; the renewed public investment in research and development.

Mr Robert Hutchinson, from Islington, chairman of the ecology group, criticized some of the wording as inducing "a sleep-inducing banality".

"We cannot achieve vital constitutional and political reforms unless this party becomes the party of sceptical ecologists."

Mr Richard Watwright, MP for Colne Valley, and spokesman on Employment, said that the resolution was the answer to the pressure for a return to the misbegotten doctrine of protectionism.

COAL

Investment 'needed in pit areas'

A policy of maximum use of coal reserves, more investment in mining areas, and a national plan for energy resources was firmly endorsed.

Mr Ian Tonbridge, from Cornwall, said there was something wrong with a Government which boasted of spending £4.8 billion to contract a fundamentally viable coal industry.

Ms Margaret Jerkin, from Epsom and Ewell, said centralized management was strangling the coal industry.

Mr Richard Livey, Liberal MP for Brecon and Radnor, argued for more jobs in "deep mining". "Of course there are some uneconomic pits," he added. "But no pit should be closed until there is alternative work in those communities."

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Commentary

Geoffrey Smith

Every political party gets a short, sharp boost from a successful conference. So it would be unwise to attach too much significance to the Gallup poll in the *Daily Telegraph* showing the Alliance nearly ten points ahead of Labour in second place. But the most important feature of this week in Dundee is that the Liberals believe that at last they are on the move.

For many years the Liberal Assembly presented the curious spectacle of a political conference of essentially non-political people. Its saving grace was that it did not take itself much more seriously than others did. It did not expect power and it probably did not really want power.

Leaders might proclaim that they were about to march their troops towards the sound of gunfire, but it was recognized that they would not get inconveniently close.

Mr David Steel will not need to camp and sleep in a tent to persuade this conference to take itself seriously. There is still the ironic fringe, but now it is clearly on the fringe.

It has, on the whole, been a dull conference. But this matters less than it might have done because of the success of the SDP conference last week. The principal task for the Liberals this week has been not to spoil the good impression made by their Alliance partners.

For the most part, the Liberals have passed that test. It has not been so good a conference as Torquay, but the possibility that the Alliance might be at least sharing the responsibilities of government within a few years has had a sobering effect on the Liberals.

Greater awareness of inadequacies

The party is still short of expertise, and there is still a certain mistrust of experts. But the Liberals have been displaying a greater awareness of their own inadequacies, which is itself a sign of growing political maturity.

Both in Torquay last week and now in Dundee there seems to be in both parties a deeper instinctive acceptance of the Alliance, and the Liberals are coming to terms with the realities of partnership.

I have little doubt that most of them would prefer the Alliance to have a single leader. But so long as Dr Owen is strongly opposed to that, the Liberals would simply be provoking a public quarrel by pressing for it. So in Wednesday's debate on preparing for government, the conference sensibly made the best of the reality of joint leadership.

But the better the Alliance seems to be doing in political terms, the more attention will inevitably and rightly be directed to its policies. In this respect the week has been encouraging.

Defence policy has been discussed essentially in terms of Mr Ashdown's second thoughts. But this week has revealed how serious are the differences over defence between the Liberals and the SDP, quite apart from cruise missiles.

Next year defence policy as a whole will be discussed by both the Liberals and the SDP after the report of their joint commission, and it will not be easy to secure agreement.

No clear idea on incomes policy

In the statement on the economy approved by the conference yesterday the Liberals managed to reconcile their concern for the environment with the pursuit of economic growth. That was sensible. But it was still a thin policy.

It placed undue emphasis on a programme for decentralization which does not seem to have been thought through. It had nothing to say on the critical subject of competition policy, and there was no sign that the Liberals had any clearer idea than the SDP as to how to achieve the incomes policy which they both regard as essential to their plans.

On Wednesday, Dr Owen made a commitment to a Scottish parliament and offered renewed encouragement for devolution to Wales and the English regions, without any evidence of popular demand for such proposals.

There had been a good conference season for the Liberals as well as for the SDP. But if they are to be taken seriously as a party for government, as they now take themselves, they will need to devote more resources to research.

Esso pioneers oil drilling off Lancashire coast

By David Young, Energy Correspondent

Esso is to start drilling for oil in the Irish Sea off the Lancashire coast this winter close to Morecambe Bay, where Britain's largest natural gasfield was brought on stream by British Gas in January.

A jack-up drilling rig will be used for three months and Esso will set up a full-time services base in Heysham. The port was selected because it is accessible whatever the tide. Local companies have been asked to tender for a management contract.

Drilling will take on a block licensed in the recent ninth round of offshore licences. The Esso exploration programme is expected to be the first in a major development of the offshore industry in the Irish Sea.

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Russians claim Britain's expulsion of spies linked to summit sabotage plot

From Richard Owen
Moscow

Officials at the Kremlin claimed yesterday that the "tit-for-tat" expulsions row between Britain and Russia was part of a Western campaign to worsen the East-West atmosphere and sabotage the US-Soviet summit in November.

Sources said Mrs Thatcher was known to be close to President Reagan, and that the Anglo-Soviet crisis could not be seen in isolation.

A series of East-West setbacks would enable Mr Reagan to cancel the summit if necessary and to withdraw from an encounter with Mr Gorbachev, which the Americans feared would work to the Soviet leader's advantage, it was said.

Amid controversy on whether Mrs Thatcher had "climbed down" and appeared "weakened" by ending the tit-for-tat spria on Wednesday, British diplomats insisted that the episode had a purely Anglo-Soviet dimension. Moscow had started the dispute, diplomats

Second group

The Britons whose expulsion from Moscow was reported yesterday are: Ian Sloane, First Secretary and Cultural Attaché; Ian Wall, Communications; Robert Hooper, Assistant Air Attache; Sgt Nigel Andrews, Air Attache's staff; Chief Petty Officer Paul Hughes, Naval Attache's staff; and Martin Nesirky, Reuters.

said, and had left London little choice but to expel the growing number of KGB agents in Britain. KGB penetration of Britain had reached saturation point, and Moscow had over-reacted.

Some Nato diplomats agreed that Anglo-Soviet relations were part of the East-West nexus and could not be divorced from wider implications in the crucial period leading up to the November summit. "There are interlocking wheels", one Western diplomat said.

Many in Moscow think Mrs Thatcher was testing Mr Gorbachev's mettle and will-power. Mr Eduard Shevardnadze, the Soviet Foreign Minister, will soon have his first meeting at the UN with Sir Geoffrey Howe, his British counterpart, since the crisis erupted.

Soviet officials believe the tit-for-tat row was timed to follow other challenges to the Kremlin, such as the American charge that the KGB had used a dangerous chemical, or "spy dust", to track foreign diplomats in Moscow, and the recent testing of an anti-satellite system.

Russian sources expect further moves against Moscow in the run-up to Mr Gorbachev's visit to France in less than two weeks' time. Diplomats say the Kremlin will take the opportunity of the Paris talks to restore and polish Mr Gorbachev's image in the West as that on a reasonable and personable politician rather than headline Communist ideologue.

At a press conference yesterday, military and government officials accused Washington of preparing to make and deploy binary chemical weapons in Western Europe, including Britain. Officials refused to admit that Russia had its own chemical weapons programme, but said Moscow had the technological resources to produce such weapons if necessary.



An armed guard keeping a watchful eye on the crowd as Mr Rajiv Gandhi, the Prime Minister of India, arrived under unprecedented security at a state election rally in Punjab

Cosmonauts plan space station swap

Moscow (Reuters) - Five Soviet cosmonauts on board the Salyut 7 space station will work together for a week before one of the visiting three-man crew returns to Earth with the Salyut mission commander.

Western space experts said the swap was unusual because each crew is carefully selected for compatibility and trains for months together. But they said it tallied with the Soviet aim of keeping a permanently-manned station in space.

Pravda said Commander Vladimir Dzhanibekov, in space since June 6, would return to Earth with the visiting engineer Georgy Grechko next week.

Thatcher meets refugees

Palestinians plead for their homeland

From Ian Murray, Amman

"If you're happy and you know it, shout 'We are,'" sang the Children of the Martyrs. "We are", they shouted. Mr Denis Thatcher stamped his feet. Mrs Margaret Thatcher beamed and clapped.

The short scene in the square of the Bakka Palestinian camp yesterday afternoon was grotesquely incongruous.

In the morning Mrs Thatcher had spent a long time in deep discussion with King Hussein of Jordan, Mr Zaid al-Rifai, the Prime Minister, and Crown Prince Hassan on the problems which had created the camp. The talks made no recognizable progress, and for all their obvious enthusiasm for Mrs Thatcher's visit the Jordanians, in the politest possible way, are suggesting that Britain is not doing all it should to persuade the Americans to restart the peace process.

But Mrs Thatcher yesterday gave no sign of what, if anything, she is able to do. She has another meeting with King Hussein today in Amman, and could well report to President Reagan on her visit before deciding on any plan of action.

One of her most enduring impressions of this visit to the Middle East is certain to be the hour she spent touring the refugee camp, where at least 64,000 people live in what they fondly believe is temporary accommodation.

When she arrived, Mrs Thatcher insisted on going on a

walkabout, while the Jordanian Army with its M16s on the flat rooftops prowled nervously up and down. The children in their filthy T-shirts were everywhere. Girls on the roofs squealed and pointed. In Britain Mrs Thatcher could expect such an enthusiastic reception only at the party conference.

She signed autographs, peered into grimy houses reeking of spice and dirt. "We love our country. We want Palestine," one heavily veiled woman told her.

In his speech of welcome, Dr Maby al-March, said accusingly: "These camps are no substitute for our homeland. The people of these camps believe it is not only Israel that is responsible for their misery, but the whole world."

Mrs Thatcher said she marvelled at the cheerfulness of the children. "My purpose is to show you how determined the British Government is to secure a peace solution," she said. "We believe in settlement by peaceful negotiations, so that you may find more hope in life and a permanent home. We wish you well and we will do everything we can to help in these peaceful negotiations."

UN chief hits at travel ban

From Zoriana Pysariwsky
New York

Acting under a congressional mandate, the US State Department has ordered travel restrictions on 400 workers at the United Nations Secretariat who are citizens of the Soviet Union or five other nations suspected of exploiting their UN status to pursue clandestine activities.

The restrictions which went into effect on Sunday and apply to nationals of Afghanistan, Cuba, Iran, Libya and Vietnam as well as the Soviet Union have been met with a strong public protest from Señor Javier Pérez de Cuellar, the UN Secretary General.

To date governments of the citizens involved have steered away from making any public comment on the matter, although ostensibly international civil servants are of concern only to the United Nations. But the State Department action, which imposes the same travel limitations on the Secretariat personnel as it does in the diplomats of the same six countries to a 25-mile radius of New York City, is not seen as auguring well for a quick warming of East-West relations and a kinder American disposition toward the UN as it celebrates its 40th anniversary.

Subdued start at Geneva

From Alan McGregor
Geneva

A distinctly subdued atmosphere marked the resumption yesterday of the third round of the American-Soviet negotiations on controlling nuclear and space weapons. This reflected the far from propitious climate of superpower relations on almost everything pertaining to their nuclear armories.

Any optimism voiced was decidedly weary. In reply to questions from reporters clustered outside the US disarmament delegation building, the chief Russian negotiator, Mr Viktor Karpov, said only: "If they (Americans) show willingness there will be progress. If not there won't be."

His US counterpart, Mr Max Kampelman, hoped some progress might be possible before the Reagan-Gorbachev summit here on November 19-20.

With the deadlock over the American "Star Wars" programme apparently even more intractable, following President Reagan's assertion that under no circumstances will this be a "bargaining chip" at the November summit, the new round will at best be directed to clarifying details of the two sides' positions, clearing the way, if not the air, for possible political decisions.

Kirk Douglas champions the abused elderly

From Michael Binyon
Washington

The actor Kirk Douglas, who plays an abused nursing home resident in a forthcoming film, has told a Congressional investigating committee that his research had found a "hideous, hidden horror" in the abuse of the elderly.

Testifying on Wednesday before the House Select Committee on ageing, he asked: "Who stands up for those whose wounds go untreated to the point where maggots, rats and roaches feed upon the body of the living man?"

He said the only way patients could contribute to good enforcement in nursing homes was by dying spectacularly.

A report by Representative Claude Pepper, the Democratic Committee chairman, and at 85 the oldest Congressman in Washington, said that one in every seven elderly people in nursing homes suffered physical or sexual abuse each year.

Mr Pepper's estimate of more than 400,000 abused elderly people was based on interviews with state nursing home commissions and officials throughout the country.

Several witnesses gave gruesome testimony of the squalid



Kirk Douglas: told committee of "hidden horror"

deaths of the elderly. One man said his father died of gangrenous bedsores after a 38-day stay in a nursing home. "The nursing home killed my daddy," he said in a voice choked with emotion.

Another witness said an Illinois nursing home was fined only \$1,000 after a woman died of bedsores. Other witnesses recommended to Congress that it change the law to allow the recipients of medical aid to sue institutions, pass a law requiring the reporting of abuse, and stop nursing homes from evicting or refusing to admit patients receiving state medical aid when their private funds were exhausted.

Kasparov's easy draw

By Raymond Keene

The sixth game of the world chess championship in Moscow was drawn last night in 27 moves, when both players opted to repeat the position.

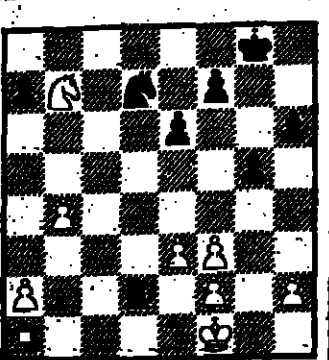
After 18 moves, the world champion, Anatoly Karpov, appeared to hold a slight advantage since he had pressure with knight and bishop bearing down on black queen's side pawns.

However, black's 19th move, rook to queen 7, was a confident sacrifice of a pawn which enabled Kasparov to break up white's own pawns and establish an active rook deep in the white position.

The score is now two wins to Karpov, one to Kasparov, and three games have been drawn.

Correction

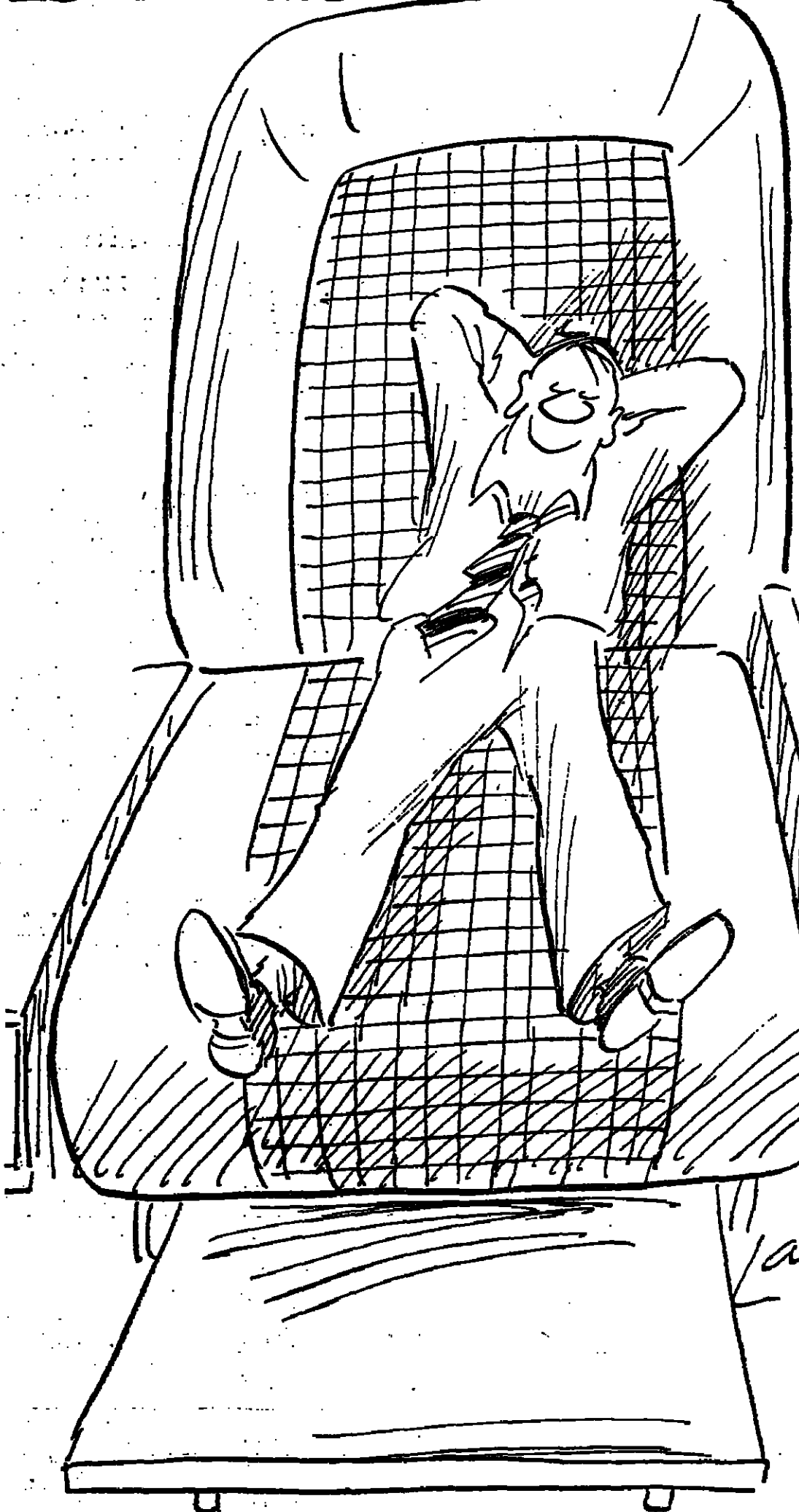
The report on the Tibury tournament yesterday should have referred to Viktor Korennoi (Switzerland) as the joint winner.



Sixth game
White Karpov, Black Kasparov
Queen's Gambit Declined

1. P-O4	2. P-O4	3. P-O4	4. P-O4
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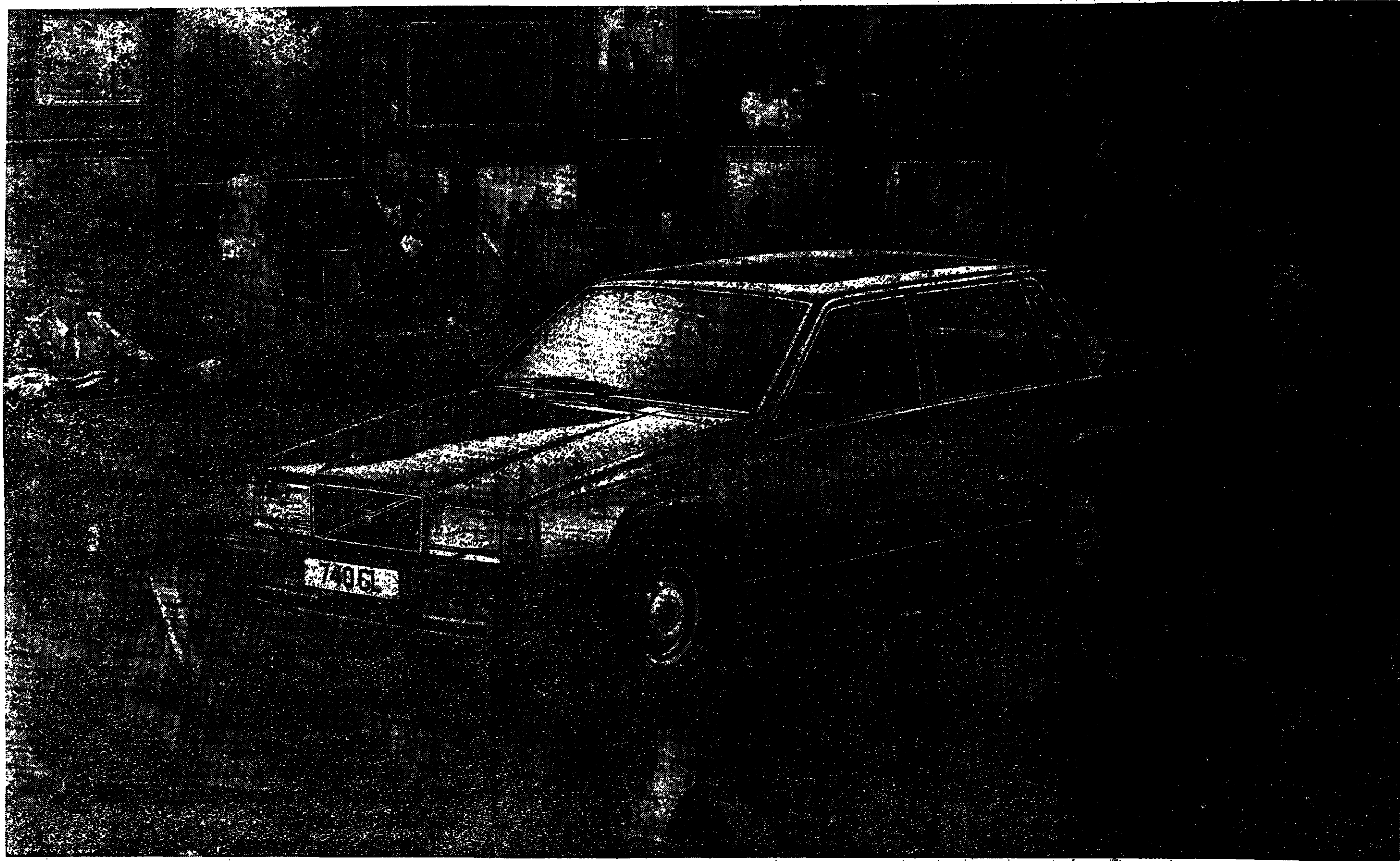
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The car will accommodate 5 adults in comfort.

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can change the air inside the car four times every minute.

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South Africans admit violating pact with Mozambique

From Michael Hornsby, Johannesburg

South Africa's Foreign Minister, Mr. P. W. Botha, and General Magnus Malan, the Defence Minister, met a Mozambique Government delegation, led by Mr. Oscar Monteiro, the Minister of Internal Affairs, at the border town of Komatipoort yesterday to discuss violations by the two countries at the same place 18 months ago.

The previous night, Mr. Botha and General Malan conceded the truth of claims by Mozambique that South African Government and military officials had been in close contact with insurgents of the Mozambique National Resistance (MNR), also known as Renamo, over a period of 18 months up to July.

At yesterday's meeting the South Africans offered counter-evidence of the continuing presence in Mozambique of members of the banned African National Congress (ANC) according to a statement issued in Pretoria after Mr. Botha's return from Komatipoort.

The Mozambique delegation, in broad terms, showed correct and the Nkomati Accord was violated. Mr. Botha admitted, but he insisted that the violations were "technical" and that the "peace pact" with Mozambique had not been contravened, even though it might appear to have been "on the face of it".

According to the South Africans, the conflict with the MNR had been part of an attempt by Pretoria to recognise rival factions within the rebel movement, and persuade them to resume South African-mediated ceasefire talks with the Government.

The public revelations about Pretoria's links with the MNR came as South African air and ground troops continued for the fourth day an operation inside southern Angola, ostensibly aimed at bases there of Swapo guerrillas fighting for the independence of South African-occupied Namibia.

The Angolan Government, however, claims the purpose of the South African operation is to relieve pressure on the Angolan insurgents of Dr. Jonas Savimbi's Unita movement, whose rear bases in South-Eastern Angola have been under heavy attack from Government forces and their Cuban allies for a month and a half.

On Tuesday, the South Africans disclosed that an army "medical orderly" giving "humanitarian aid" to wounded Unita soldiers had been killed in a clash with an Angolan Government troops the previous weekend, but they insisted that this had no connection with the operation launched into Angola a day later.

In Cape Town, the leader of the white liberal opposition in Parliament, Dr. Frederik van Zyl Slabbert, called for a public explanation of what was going on in Angola and said it would be "clear madness" for South Africa to become embroiled in another country's civil strife.

Last weekend, Mr. Botha was summoned to a meeting by President Machel and shown a diary kept by a senior MNR officer, which was captured when the rebels' bush headquarters at Gomoio in Sofala province was overrun in a joint operation by Mozambican and Zimbabwean troops recently.

According to the entries, the South African Army established radio links with the insurgents, built them an airstrip, made nocturnal airdrops of arms and other supplies, and ferried MNR officers in an out of Mozambique, mostly by air but once by submarine.

The entries also disclosed that Mr. Louis Nel, then South Africa's Deputy Foreign Minister, and now head of a new information bureau, had made three clandestine visits to South African Army officers said to be opposed to the Nkomati accord. According to Mr. Botha the officers concerned denied that when questioned.

Right attacks Reagan for Machel's visit

From Michael Bishop, Washington

President Reagan yesterday held controversial talks with President Samora Machel, the Marxist leader of Mozambique, whose three-day visit here has angered conservatives and led to calls for the dismissal of Mr. George Shultz, the Secretary of State.

President Machel, whose country has signed a treaty of friendship with the Soviet Union, has been moving away from the doctrine of Marxism towards a pragmatic relationship with the West in order to get Western capital to repair his country's economy, ravaged by famine and internal strife.

Mr. Shultz has encouraged this, and the State Department cites Mozambique's peaceful co-existence agreement with South Africa as a tangible result of the US policy of constructive engagement in southern Africa. To Washington, however, the South Africans have now admitted

breaking the agreement with Machel not to aid the rebels fighting his Government. An issue he has been discussing here since Tuesday.

An Administration official said its policy was to move Mozambique towards a "more genuine non-alignment" away from an outright Soviet embrace. This year the US is giving Mozambique \$40 million (\$30 million) in aid, of which about \$13 million are for development and the rest for disaster relief and emergency food.

American conservatives, who want the US to support the anti-Marxist guerrillas in Mozambique, have fiercely denounced the visit and President Machel's human rights record. Five conservative Senators were among those who wrote to Mr. Reagan saying President Machel had no intention of leaving the Soviet camp, and was giving that appearance simply to obtain Western aid.

Uproar over Pakistan 'guillotine'

Islamabad (Reuters) - Pakistan's National Assembly closed in uproar yesterday after General Zia ul-Haq's Government cut off discussion on a Bill approving the past eight years of martial law.

"We might decide to boycott the proceedings if the Government tries to steamroller the Bill through," said a spokesman for independent members after the session turned into a shouting match and the Government closed it by a voice vote.

Independent group spokesman Razi Saifullah Khan told reporters that the Bill, central to President Zia's plan to lift martial law by January 1, would make army rule permanent by enshrining in the constitution all martial law orders.

There was uproar in the 237-member assembly when the Government moved to cut off discussion on the admissibility of the Bill. Several members loudly accused the Government of strong-arm tactics.

The controversy over the Bill has turned into an embarrassment for President Zia's chosen civilian Prime Minister, Mohammad Khan Junejo, who wants it to be passed by more than just the Government's overwhelming majority in the assembly.

Western diplomats speculated that President Zia had taken a tough line on the Bill to have his past actions approved by the assembly before he leaves for West Germany and the United States in mid-October. He is due to address the United Nations General Assembly in New York.

Girl dies as third blast hits Tehran

Tehran (Reuters) - A girl aged two was killed and 36 other people were injured, eight of them badly, when a bomb exploded in a crowded bus terminal in the Iranian capital yesterday, the newspaper *Kayhan* reported.

The bomb was hidden in a bag beside a water fountain. The national news agency IRNA said police estimated the weight of the device at 15lb. It was the third explosion in Tehran in nine days.

Spectrum, page 12

Quake deaths

Jakarta (Reuters) - An earthquake in Indonesia's jungle province of Irian Jaya killed 10 people and badly damaged houses and government buildings, the official Antara news agency said.

Crew rescued

Suez City, Egypt (AP) - A Saudi Arabian ferry rescued two French and two British citizens from their stalled yacht in the Red Sea. Their names were not given.

Drug sentence

Colombo (Reuters) - A Sri Lankan court jailed a 26-year-old Austrian for 10 years and fined him about £1,500 for drug trafficking.

Bus crushed

Warsaw (Reuters) - Six people were killed and 14 were injured in Olshyn, northern Poland, when a bus was crushed between two trains.



Professor Richard van der Ross, rector of the University of the Western Cape, and colleagues leading a march of 3,000 students and staff yesterday to demand the return of detainees and the lifting of the state of emergency in South Africa. The march was halted by the police and troops.

Plessey denies secret deal with Pretoria

The Plessey electronics group yesterday dismissed allegations that it floated a United Nations embargo by selling a \$48 million air defence radar system to South Africa in a secret deal code-named Rodent (Christine Toomey writes).

The company says the equipment was supplied to South Africa "as a civilian air traffic control system, sold in the seventies, with the full approval of the British Government". It refused to comment on reports that the system had been modified for military use.

Two whites to hang for raping black girl

From Ray Kennedy, Johannesburg

Two young whites who raped a pretty black woman and then locked her in the boot of her boyfriend's car and burnt her alive were sentenced to death by hanging yesterday. They were found guilty of murder and rape, both of which carry the death penalty in South Africa.

Their five-week trial at Klerksdorp in south-western Transvaal ended in disorder as Mr Justice P. J. Schabert announced that there were no extenuating circumstances for the "cold-blooded murder" of Ginny Goisone, aged 21, by Schalk Burger, aged 20, and George Scheepers, aged 21.

Their mothers screamed hysterically and Scheepers' young wife, a mother of two children, collapsed.

Outside the courtroom a crowd of blacks from Klerksdorp's Joubertin township watched impassively as she was being taken to hospital on a stretcher and murmured: "They deserve to die".

Sentence is expected to be passed today on Daniel Durandt, aged 19, and Jacobus Mathysen, aged 20, who have also been found guilty of robbery and rape. If they go to the gallows they will be the first whites to be

hanged for the rape of a black in South Africa since 1910. Last year, 115 people were hanged - two of them whites - according to figures given to Parliament. Between 1982 and 1984 a total of 94 blacks were executed for crimes of violence against whites and one white for violence against a black.

So far this year 76 people have been hanged, one of them a white.

The court had been told that Miss Goisone had been sitting with her fiancé, Mr Jacob Wessie, aged 26, in his car outside Joubertin township one

evening last February when Scheepers rapped on the window with a gun, later found to be a toy replica, and said: "Police." He said they were looking for the car and ordered Mr Wessie into the back seat.

Durandt also got into the back and held the gun at my head. Scheepers drove to a deserted spot and said: "Who will start with the girl?"

Durandt volunteered and started dragging Miss Goisone out of the car. "The seatbelt was fastened and I loosened it," Mr Wessie said. "She looked at me. I will never forget that look."

Americans to get Pravda in English

From Trevor Fishlock, New York

Pravda, the daily newspaper of the Russian Communist Party, is to be published in English in the United States.

It will be a faithfully-translated full-text version of the original, with the same photographs, and will be printed on a similar grade of paper with the masthead in an Anglicized form. It will be a private enterprise publication and will sell on subscription at \$360 (£474) a year.

Mr Charles Cox, who owns Associated Publishers of St Paul, Minnesota, has hired a team of translators. He said yesterday he would begin daily publication this autumn, with his English version being available about 10 days after the Russian original.

"We are getting good responses from libraries, universities, government agencies, business and individuals," he said. "I think Americans are well aware of the importance of the relationship with the Soviet Union."

Mr Cox has not sought Russian permission. He has never been to Russia, but saw an opportunity to meet a demand for information on Russian affairs.

In Russia *Pravda*, meaning truth, has a print run of more than 10 million copies daily and is published every day of the year.

Then John admitted he hadn't slept with his micro-computer for months.

Poor John. It was incompatibility. A few months ago, we both bought micros for our businesses. I chose the new Triumph Adler Alphatronic. He was seduced by a rather more obvious name.

Life in pieces

My Alphatronic came complete, a perfect marriage of everything I needed. All the essentials others seem to regard as extras were included as standard, neatly contained in one perfectly designed machine.

Not so John's ill-fated match. His life was, quite literally, in pieces.

He found he needed a separate interface card for every extension he had to make. They were numerous, even including an expansion card for colour and yet another for graphics.

Every time he used an interface card, he used up a precious slot to put it in. Soon, all the slots were used up. So, he couldn't expand anymore.

Endless arguments

Then, things started to go wrong, and because all his extensions came from different places, he had to argue with dealer after dealer to get them put right.

I gently reminded him that life with the Alphatronic presented no such headaches, affording me a single source of support from one, highly-knowledgeable dealer.

What's more, because it's so well-endowed to start with, the Alphatronic has many more



expansion possibilities. I recently added Prestel and a tape-streamer, (which records a whole day's work in twenty minutes), with no trouble at all.

John groaned, defeatedly.

Same old grind, every day

Apart from processing information up to three times faster, thanks to the powerful new Intel 80186 processor (a true 16-bit chip), my Alphatronic also warms up in seconds, rather than the two tedious minutes John's machine takes.

And whereas John says his disc-drives sound like an old washing machine, my Alphatronic is blissfully quiet in comparison.

Irresistibly beautiful

I was always attracted by the Alphatronic's elegant appearance. Ergonomically designed, it's as pleasant to work with as it is to look at. With a keyboard and a screen that are both highly

developed yet simple to use. Just what you'd expect knowing that Triumph Adler is part of the design-conscious Volkswagen Group.

John's choice, on the other hand, left a lot to be desired in this respect.

He's paid the price

On top of everything else, John now has to face the fact that he's paid over the odds for a computer that was always incapable of delivering what he bought it for. Any of the four Alphatronic models, with their different capacities, would have more than satisfied his needs from the start. And any of them would have run all the IBM compatible software he could possibly need.

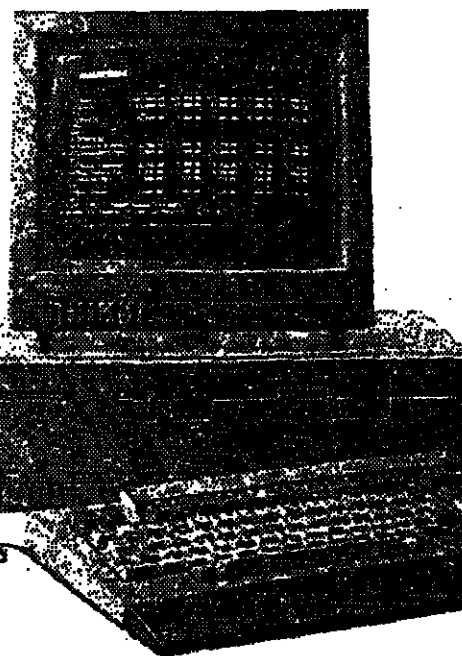
So, John bought his machine to save money, but in the long run, it's really cost him. No wonder he wasn't sleeping. I bought him

another drink and gave him an Alphatronic brochure to read on the train home.

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Thousands arrested Bolivia declares state of siege

La Paz (Reuters) - The Bolivian Government declared a state of siege yesterday and arrested thousands of trade unionists in an attempt to break a 16-day-old general strike.

The Interior Minister, Señor Fernando Barthelemy, told Reuters the Government had taken the action because of the upheaval the strike had caused.

Señor Barthelemy said provincial authorities had been ordered to impose a 24-hour curfew. He said heavily-armed troops had arrested thousands of workers yesterday morning, including the country's top labour leader, Señor Juan Lechin, after they went on hunger strike to protest against government austerity measures.

The Government of President Víctor Paz Estenssoro, which took office only last month, devalued the peso by about 95 per cent and froze public sector wages on August 29 in an attempt to curb the inflation rate - now over 14,000 per cent.

Troops and police were deployed throughout La Paz yesterday and armoured vehicles guarded the main square, where the government and congress buildings stand.

An Interior Ministry communiqué said the Government took the extreme measures because of increasing provocation and acts of sabotage "by known agitators under orders from abroad".

President Paz, who took office on a pledge to halt Bolivia's steep economic decline, declared the general strike illegal hours after it began on September 4.

Threat to wipe out Zapu

From Jan Raath, Harare

Mr Enos Nkala, Zimbabwe's provocative Minister of Home Affairs, has announced his intention to "wipe out" Zapu, the country's main opposition party, within the next few months. His statement was the most belligerent against Zapu since his appointment as law and order chief in July.

Speaking in the Senate on Wednesday, Mr Nkala said recent events were "just warning lights... to say here we are coming, and we have not yet opened full blast to deal with the dissidents' [guerrillas] leadership".

The brief detention of Mr Joshua Nkomo in Harare on Tuesday was the latest in a series of police actions against Zapu, which the Government constantly accuses of backing guerrillas who have been operating in the western provinces of Matabeleland for the past three years.

"We should also hit the dissidents at their very roots, and that root is Zapu and Zapu leadership", Mr Nkala said.

Minister refuses to quit over spy case

From Frank Johnson
Bonn

Herr Friedrich Zimmermann, the West German Interior Minister who refused to give permission for telephone taps and other checks on the Chancellor's secretary who has defected to East Germany, had no intention of resigning yesterday.

Herr Zimmermann was said to be working as normal in his ministry, and was saying nothing. But his attitude seems to be that the commission which considers counter-espionage requests for permission to carry out surveillance on private citizens had ruled against it in this case - and who was he to reject that advice?

One responsibility of the commission, which is headed by a lawyer, is to balance the rights of the citizen against the claims of security. The counter-espionage officials' suspicions must be firm. On a less elevated level, Herr Zimmermann's resignation would make matters difficult for Chancellor Kohl. The Chancellor was present at the last meeting which discussed the case and accepted the advice that the secretary, Frau Herta-Astrid Willner, and her husband, Herbert, should not be placed under surveillance.

But the Social Democrat opposition leader, Herr Hans-Jochen Vogel, continued to



Herr Brandt and his wife, Brigitte, in East Berlin, his first visit to East Germany since he resigned as Chancellor.

demand Herr Zimmermann's resignation.

But Herr Zimmermann is at the moment enjoying the protection afforded by his being one of the placemen of Herr Franz-Josef Strauss's Bavarian Christian Social Union (CSU) in the Government. Herr Strauss is already making much trouble for Herr Kohl,

with accusations of weakness and incompetence, and would make more if one of his men were made a scapegoat.

So West German voters were enjoying the spectacle of an Interior Minister from the normally less squeamish CDU invoking civil liberties against Social Democrat insistence that phone taps on checks should

have been slapped on the Willners long ago.

An added anomaly was that yesterday Herr Willy Brandt was on his first visit to East Germany since he was forced to resign as Chancellor in 1974 after the discovery that one of his close assistants was an East German agent.

Leading article, page 15

Generals defiant as life terms are demanded

From Douglas Tweedale, Buenos Aires

General Jorge Videla, who was president of Argentina until 1981, stood up slowly and stared round at the courtroom gallery which had erupted into shouts of "bravo" and "murderer" when the federal prosecutor, Señor Julio Strassera, demanded life imprisonment for him and four other former military leaders.

General Roberto Viola, another former president, had a more visceral reaction to the pandemonium that broke out when the prosecution finished its case on Wednesday. "Some of the whomps that bore you," he spat out at the public before filing out of the courtroom.

Judge Leon Arslanian, president of the six-man tribunal hearing the unprecedented human-rights trial of the former military leaders, made a vain attempt to restore order by shouting "silence" and "clear the courtroom" over the clapping and cheers for Señor Strassera.

It was an emotional end to the most dramatic phase of the public hearings, which began on April 27. Comparing the nine defendants to the "tyrants who lived off blood and pillage", which Dostoevsky in his *Inferno* condemns to "eternity in a river of boiling blood in the seventh circle of hell", the prosecutors requested the maximum penalty.

For those of us who have had the painful privilege of knowing it intimately, this trial has been a sort of descent into the shadiest regions of the human soul. Señor Strassera said.

After a summation that took five full hours, Señor

Strassera formally charged General Videla with responsibility for crimes committed by his subordinates including 83 counts of aggravated homicide, 504 counts of kidnapping, 254 counts of torturing, 94 counts of robbery, 180 counts of falsifying public documents, and dozens of related charges.

The other defendants were similarly charged, with the bulk of the crimes being attributed to the three-man junta headed by General Videla which ruled from 1976 to 1981.

Life imprisonment was requested for General Videla, General Viola, Admiral Emilio Massera, Admiral Armando Lambruschini, and the former Air Force chief Brigadier Osvaldo Agosti.

For Brigadier Omar Grafiña and the former President Leopoldo Galtieri, who is still awaiting sentencing in a separate trial for his role in the 1982 Falklands war, the prosecutors requested 15 years' imprisonment. Admiral Jorge Araya and Brigadier Basilio Lami Dozo, fellow members of General Galtieri's junta during the war, will receive 12 and 10 years respectively if Señor Strassera has his way.

Lawyers for the accused said they were not surprised at the prosecution's requests. "It goes along with what they have been saying all along," said Señor Andres Maurian, one of General Viola's four defence attorneys. "This has been a political show trial and [the crowd's] outburst proves it is a circus as well."

The defendants have eight days to prepare their response. The hearings resume next Friday.

French view on Falklands dispute pleases Alfonsín

From Diana Geddes, Paris

President Alfonsín of Argentina yesterday signed an "agreement of economic, industrial and financial co-operation" with France after talks with M. Laurent Fabius, the Prime Minister, during his three-day state visit.

The previous evening, Señor Alfonsín met President Mitterrand, followed by a dinner given in his honour at the Elysée Palace, at which the talks were described by both sides as "excellent". The meeting had been "very warm and friendly", the official Elysée spokesman added.

The Argentinian leader said he was pleased by M. Mitterrand's "entirely correct" position on the problem of the Third World debt, and by his comments on the need for a negotiated settlement to resolve the Falkland Islands dispute. "There can be no solution outside a negotiated settlement", M. Mitterrand is

reported to have told the Argentinian leader. "To refuse to accept this will only delay the process of peace."

Earlier, Señor Alfonsín and Mr. Neil Kinnock, the British Labour Party leader, put out a joint statement in which they said they hoped for an opening of negotiations "to explore the possibilities of resolving the outstanding problems between the two countries, including all aspects of the future of the Falkland Islands". All reference to the contentious issue of sovereignty was carefully avoided.

Both agreed on the importance for the islands' inhabitants "of effectively guaranteeing the preservation of their customs, their ways of life and traditions, as well as the respect for forms of administration, education and social and economic organization".

But the two differed on how that would be achieved.

Britons vote UN a flop in anniversary poll

By Henry Stanhope

As the United Nations celebrates its 40th anniversary, a national survey has shown that only 13 per cent of people in Britain and 11 per cent of those in Parliament think that it is doing a good job.

As many as 83 per cent of parliamentarians and nearly half of the general public considered the UN to be ineffective in settling international disputes, according to two polls conducted for FARE International Affairs - an educational trust.

Four per cent of the people quizzed in the nationwide poll had never heard of the UN and about one in three women and young people aged between 16 and 24 did not know enough about it to answer a single question.

But three out of four parliamentarians and more than half the general public thought that the influence of the UN should be strengthened and Labour MPs looked more kindly on it than did their Conservative opponents.

Hostess fights for job after flight of fancy

Auckland (Reuters) - An Air New Zealand hostess dismissed for "sexually uninhibited behaviour" on a plane while off-duty has reached an out-of-court settlement in her attempt to get her job back.

The airline accused the unidentified hostess of having sexual intercourse with a passenger in an airliner lavatory, kneeling a purser in the aisle and then trying to fondle him, and sitting provocatively on a sleeping first-class passenger.

"I don't remember anything," the hostess, who was off-duty on the flight between Auckland and Honolulu on July 12, told the court hearing.

Her lawyer blamed her behaviour on a combination of sleeping pills prescribed to combat jet lag and drinking three glasses of champagne.

One passenger told the hearing that the hostess gave him a glass of champagne, then returned and said "Let's go down the back". The unidentified passenger said they went into one of the rear lavatories and had sex.

Premier denies approach to accused judge

From Stephen Taylor, Sydney

The trial in the New South Wales Supreme Court of a judge charged with attempting to pervert the course of justice took a surprise turn yesterday, when Mr. Neville Ryan, the state Premier, went into the witness box to deny allegations which have implicated him in the affair.

Four days of testimony in the trial of Judge John Foord have raised a complex web of claims linking the case with the trial of justice Lionel Murphy, the High Court judge sentenced to 18 months' imprisonment on September 3.

Murphy, who was Australia's third-highest judicial officer, was convicted on July 5 of essentially the same charge to which Judge Foord has pleaded guilty - attempting to pervert the course of justice in relation to a criminal proceed-

ings against Mr. Morgan Ryan, a prominent Sydney solicitor.

The prosecution case so far in the Foord trial rests on evidence by Mr. Clarrice Brice, the New South Wales Chief Magistrate, that the judge arranged a meeting with him at a Sydney club in March, 1982, at which he allegedly said: "Neville wants something done for Morgan Ryan."

Mr. Brice was also a leading prosecution witness in the Murphy case, during which he testified that Murphy has made approaches to him about Mr. Ryan to whom he referred as "my little mate".



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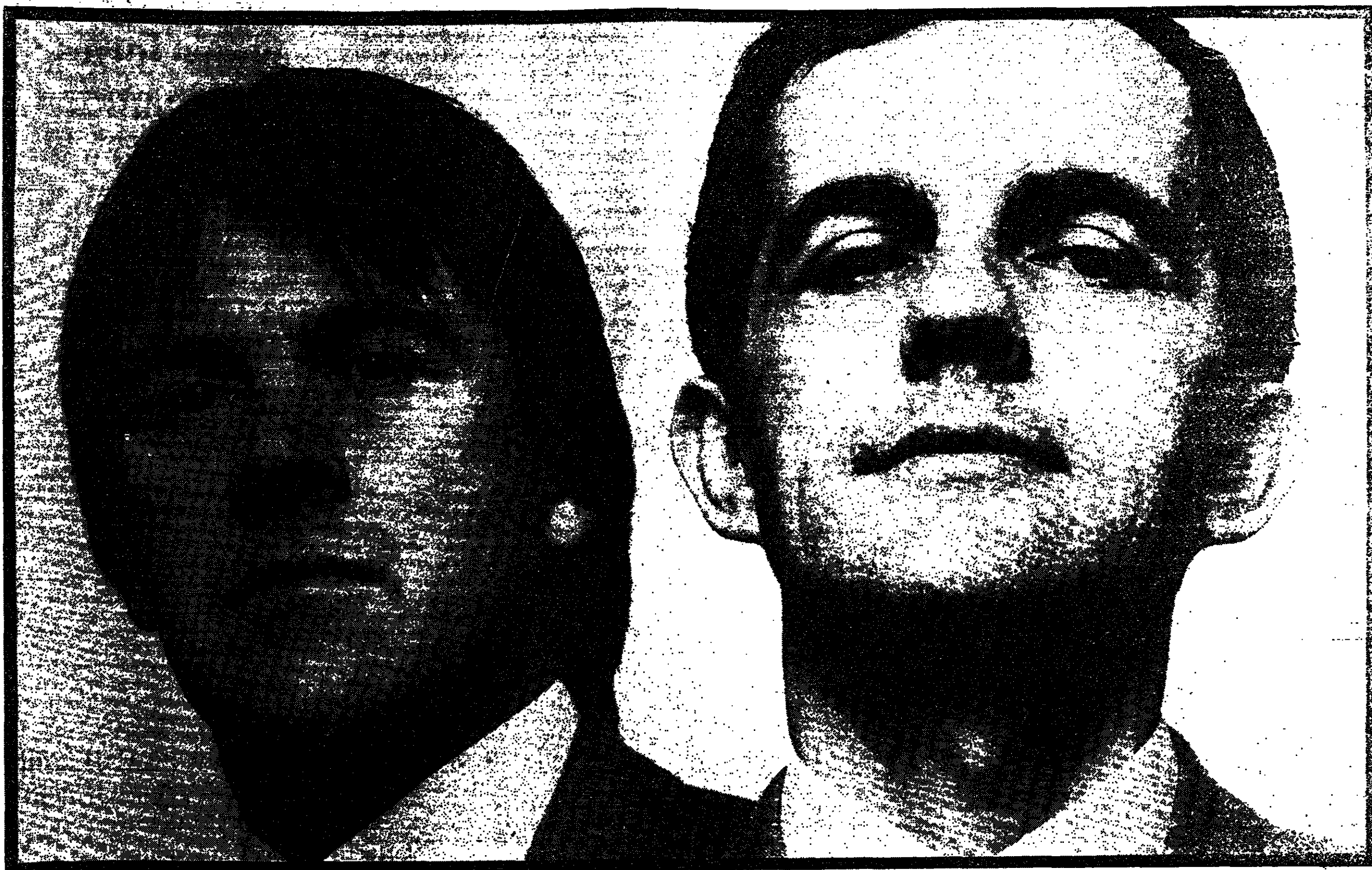
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Warsaw rules out cash deal by Walesa with church

From Roger Boyes, Warsaw

Mr Lech Walesa's Nobel Peace Prize money, at present in a Western bank account, should not be paid into a controversial church plan to aid Polish private farmers. Government negotiators have told the Catholic leadership.

But the rejection of the offer, worth some £125,000, was counterbalanced by two surprise concessions on the part of the Jaruzelski Government, concessions that should at last give life to the ambitious church scheme.

The church's idea is that funds gathered in the West - from European (though not British) and United States governments, from Catholic episcopates abroad and from private donors - should be funnelled, with minimal interference from the communist Government, into helping private farmers feed the Poles.

After winning the 1983 Nobel Peace Prize, Mr Walesa immediately declared his readiness to make over the money to the fund which so far has promises of about \$25 million (£19 million), enough to begin the first pilot stage.

But the Government has been stalling for almost a year, apparently nervous about the ideological problems of having uncontrolled dollars flow into the hands of farmers outside the socialist agricultural sector. Last week, the patience of the Primate, Cardinal Jozef Glemp, appeared to have reached breaking point. He called in the church negotiators and told them, according to a senior church source: "We owe it to our Western donors to have clarity in the scheme. If the Government will not lift its objections, we will call off the fund and issue a communiqué declaring who exactly is respon-

sible for the decision." The comments were quietly relayed to the Jaruzelski leadership which broke out in a flush of anxiety. An open rift between church and state would jeopardize the carefully staged theatre of conciliation before next month's parliamentary elections.

When the Church negotiators arrived for talks in the Religious Affairs Ministry last Monday, they were greeted with ministerial smiles and hearty slaps on the back. The negotiating table was creaking with food, always a sign of impending deals.

General Jaruzelski, it emerged, has now decided to ease up on demands on firm control of the money by the Agricultural Ministry and will smoothly away the main sticking point of whether imported farm machinery will be charged customs duties.

The Government made only two demands: That the fund should be declared for tax purposes and that "no Polish citizen" should be allowed to contribute to the scheme. That meant Mr Walesa and his Nobel Prize money. The church says they will consult the prize winner because it is up to the Solidarity chairman what he does with his money.

The church wants to press home its advantage as soon as possible and has called for another, perhaps final, round of talks before the end of the month in the hope that it will reach an agreement before the October 13 elections.

After the breakdown of the talks in Thimbu, Bhutan, between the Sri Lankan Government and the Tamils, Delhi took upon itself the responsibility of bringing round the Eelam National Liberation Front.



Mick Jagger, the rock singer, and his girlfriend, Jerry Hall, the model, with the Duchess of Gloucester at a fund-raising for the National Art Trust of the United States and Great Britain at Sotheby's in New York.

Gandhi fails to break Tamil-Colombo deadlock

From Kuldip Nayar, Delhi

India has made little progress in overcoming the reservations of Tamil militants about the Sri Lankan offer to give more powers to district councils in the northern and eastern parts of the country, where Tamils are in a majority.

After the breakdown of the talks in Thimbu, Bhutan, between the Sri Lankan Government and the Tamils, Delhi took upon itself the responsibility of bringing round the Eelam National Liberation Front.

At first they were not even willing to come to Delhi to talk to the Indian Prime Minister, Mr Rajiv Gandhi, but after a great deal of pressure and persuasion they have met him. However they are not willing to budge from their demand for an autonomous Tamil state.

Mr Romesh Bhandari, who has replaced Mr G. Parthasarathy, a Tamil Indian civil servant enjoying the rank of Minister of State, has been in constant touch with the mil-

itants' representatives in Delhi for the past three days. But they maintain that they have no faith in the Government of President Jayewardene and that what he has offered is "too little and too late".

● COLOMBO: The Sri Lankan Government, while welcoming the front's assurances to the Indian Government about the observance of the ceasefire, has laid down eight conditions to make it effective (Vigitha Yapa writes).

High earners stand to gain from Hawke tax package

From Stephen Taylor, Sydney

The Australian Government's long-awaited tax reform package, a product of months of negotiations with the trade unions and the subject at times of embarrassment to the Hawke Administration, was finally unveiled yesterday.

The central plank of the package, described by Mr Paul Keating, the Treasurer, as the most far-reaching tax reform in living memory in Australia, is a cut in income tax over the next two years which will substantially benefit those in high income brackets. The top rate will be reduced from 60 per cent to 49 per cent and will increase the take-home pay of those on the average wage of \$A22,000 (about £10,900) a year by around \$A6 a week in the next year.

At the same time a capital gains tax has been introduced, to the dismay of the stock market which lost \$A1.6 million on Wednesday in anticipation of the announcement.

In another controversial measure, fringe benefits such as meals, cars, accommodation and school fees have been made taxable. It was not just the business community which opposed this measure. As late as Tuesday backbench MPs were reportedly threatening to revolt if their perks were affected.

Mr Keating declared triumphantly yesterday: "The days of the free lunch are over. The rorts (abuses) are over."

The Government has been unable to conceal however that the package represents a considerable watering down of its preferred plan, which had as its cornerstone a broadly-based 12.5 per cent consumption tax to compensate for big tax cuts. That was abandoned in the face of bitter union opposition at the debacle of the July tax "summit".

Yesterday the Liberal Opposition described the package as "yet another backdown to the unions," although Mr John

Censure motion on pay-out fails

Sydney - Mr Bob Hawke, Australia's Prime Minister, yesterday survived a censure motion in Parliament amid growing controversy over severance pay to the former head of the Australian Bicentennial Authority (Our Correspondent writes).

Mr John Howard, in his first confrontation with Mr Hawke since being elected leader of the Liberal opposition two weeks ago, accused the Prime Minister of misleading the nation over a payment of almost \$500,000 (£248,000) to Dr David Armstrong.

Earlier, Mr Hawke admitted advising Dr David Reid, chairman of authority, to err on the side of generosity in settling Dr Armstrong's severance, after concerns had been raised over performance as chief executive. This appeared to conflict with Mr Hawke's assertion this week that the terms of the settlement had been entirely between Dr Armstrong and Dr Reid.

The censure motion was defeated on party lines, but further controversy over the authority's financial affairs seems inevitable.

Howard, the new Opposition leader, conceded that it was not without merits.

In fact the tax cuts are central to the Government's prices and incomes accord with the unions, the basis of present economic policy, which was extended for two years by agreement last week.

In return for tax cuts, the Australian Council of Trade Unions has agreed that next year's wage increases should be discounted by 2 per cent in line with the devaluation of the dollar.

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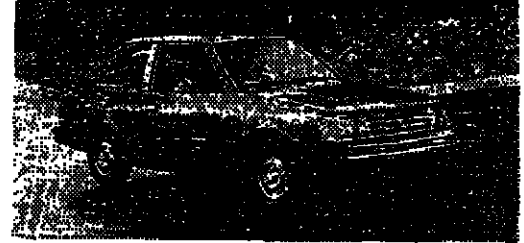
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Northern defence implications

Arctic claim worries US

From John Best, Ottawa

Canada has suddenly become extremely jealous of its sovereignty over the vast frozen north, a sovereignty which is not universally respected by the rest of the world.

Its recent proclamation establishing sovereignty baselines around the entire expanse of the Canadian Arctic archipelago marks a shift to a far more assertive stance.

The shift has deep implications for northern defence - the area is of great strategic importance for both Canada and the United States - as well as, potentially, for international commerce.

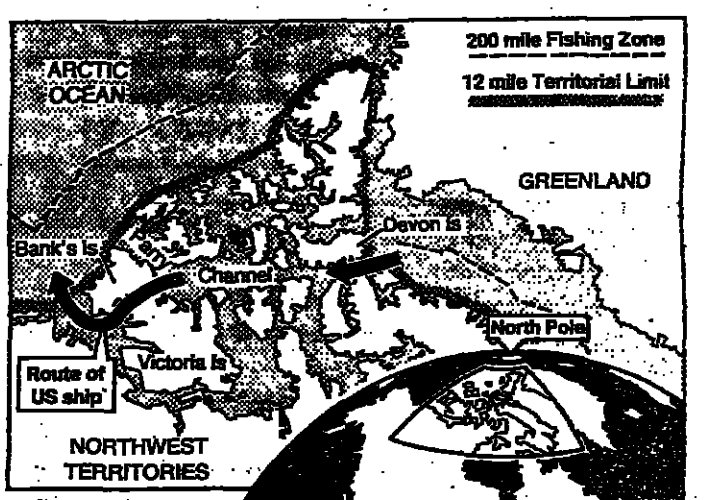
The External Affairs Minister, Mr Joe Clark, maintained the tougher line again last weekend in a speech in Halifax when he said that Canada had to lay claim to the Arctic now. The US and West Germany were both preparing for commercial navigation in the north. The Japanese, "with a keen eye to the development of oil and gas flows from polar regions", were working on "specialized tankers".

Mr Clark's statements underlined that the waters of the archipelago - actually, most of them are ice-clogged most of the year - are being increasingly eyed as commercial transport routes. Giant ice-breaking tankers are already being designed for the purpose.

The main potential artery is the Northern Passage, an ice-bound route from Lancaster Sound, just off Baffin Bay in the east, to the Beaufort Sea off Yukon territory and Alaska, in the west.

Canada has long claimed sovereignty over both the islands and the waterways of the 600,000-square-mile archipelago, but the US disputes this claim insofar as the waterways, including the Northwest Passage, are concerned. The US insists that the passage is an international strait.

Until now the two countries have been content to agree to disagree over the issue. However, the voyage this summer of



a US coastguard icebreaker through the Northwest Passage had the unintended effect of spotlighting the issue as never before.

The voyage was made without Ottawa's permission, and touched off such a storm of nationalist criticism in Canada that the government was forced to respond. Its decision to establish baselines, designating the Northwest Passage and all other passages in the archipelago as internal Canadian waters, was the result.

The controversy has thrown new light on the long-mooted question of Western defence vulnerability in the north.

Mr Clark's statement in the House of Commons announcing the baselines contained this passage: "Soviet submarines are being deployed under the Arctic ice pack, and the United States Navy in turn has identified a need to gain Arctic operational experience to counter new Soviet deployments."

He did not make it clear whether he was referring to missile-submarines or attack submarines, and he did not attempt to spell out the ramifications for Canada, except to say that it had "just come up to speed" in terms of effective control over its Arctic waters. His officials refused to elaborate.

What Mr Clark did say

probably amounted to the most explicit statement ever made by a Canadian Government about the presence of Soviet submarines in the north, although defence analysts have long suspected such a presence. They suspect American submarines operate there, too.

Canada itself is in the embarrassing position of not being able to do anything about it, either way. It has no nuclear submarines of its own - the only kind with enough endurance to operate under the ice pack. The only other means of monitoring intrusions would be a network of underwater sonar devices, and as far as is known, Canada does not have that either.

Canadian military aircraft conduct occasional "sovereignty" flights over the bleak Arctic ice a few times a year, and these are now to be more frequent. But it has no military ground presence in the north to speak of. In these circumstances US military concern about the Arctic, which is on the direct flight path of bombers and missiles between Russia and the US, is understandable enough.

In the wake of Canada's recent action, the two governments appear to be inching toward negotiations aimed at resolving their impasse over sovereignty. However, such an accord will not be easy to reach.



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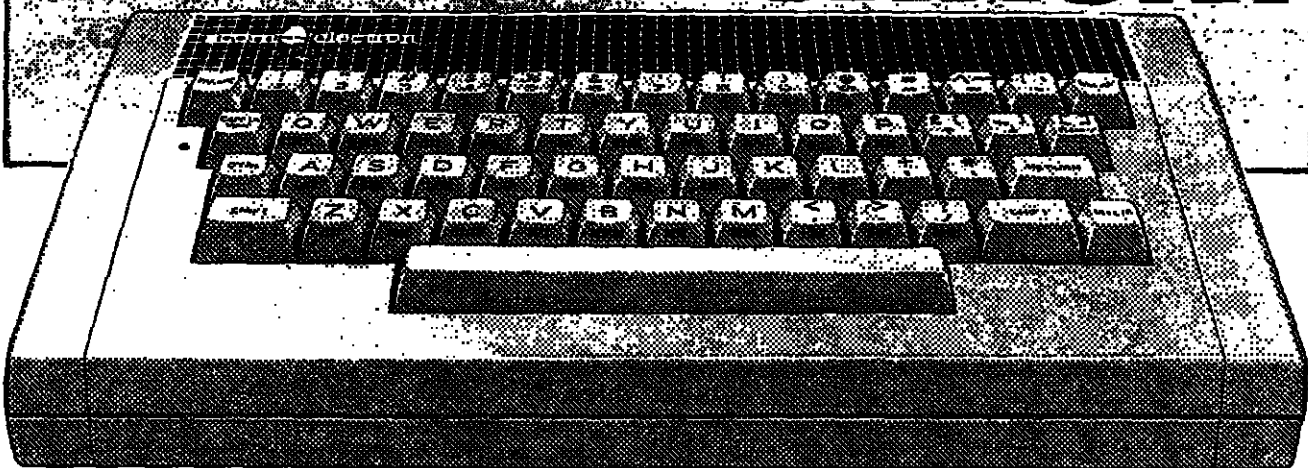
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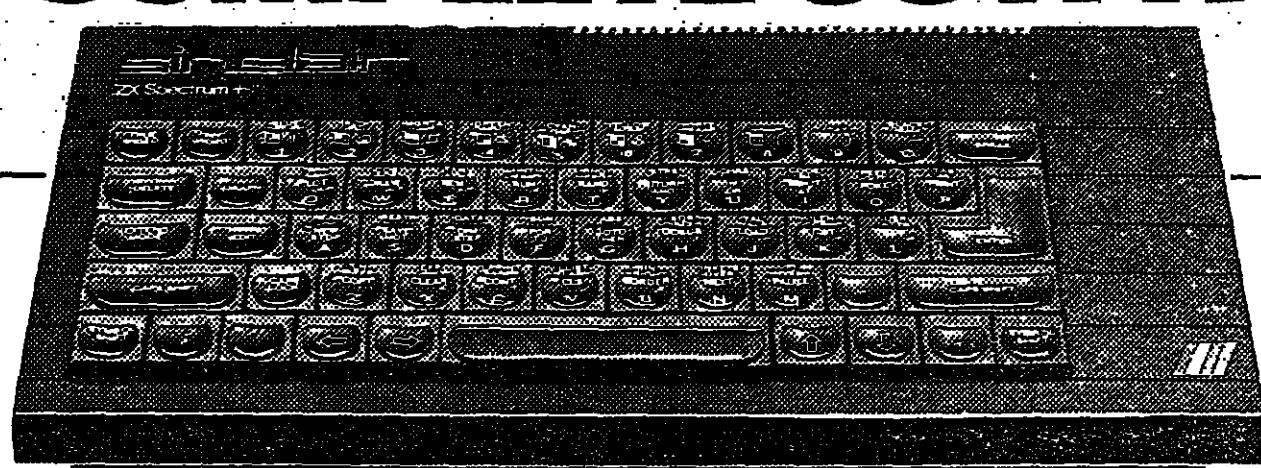
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William Kay goes behind the scenes of a high-finance drama

At 8.45 this morning a door will close in the thickly-carpeted corridor of Morgan Grenfell, the City merchant bank, and the daily council of war will begin to decide the next step in the £80m takeover battle by United Newspapers for Fleet Holdings, publisher of Express newspapers and Morgan Gramplan magazines.

Around that table, apart from at least one senior executive of United, will be a team of lawyers, stockbrokers, accountants and public relations advisers. The advice United will take most note of will be from George Magan, of Morgan Grenfell, one of the cleverest plotters in the increasingly ruthless takeover game.

Ten minutes' walk away, in a 1960s glass tower near Fenchurch Street Station, another meeting will be taking place today. It will be chaired by David Clementi, Magan's counterpart at Kleinwort, Benson, Lonsdale, the merchant bank which sprang to public prominence last year when it masterminded the share sale of British Telecom.

Clementi will have the same newspaper cuttings as Magan spread out in front of him. He and his team are advising Fleet on how best to fend off the United attack.

"We have to be alive to what is happening in the market each day," said Clementi, a self-effacing man in his mid-thirties who first became interested in merchant banking when he was reading philosophy, politics and economics at Christ Church, Oxford.

"Morning prayers, as we call them, help to make the team more cohesive, so that everyone knows where they stand," Magan explained.

The merchant banks are the City's master tacticians. When Dixons, the electrical shops chain, took over Currys this year they threw a party for Morgan Grenfell, the bank which had guided them through a contest in doubt until the last vote had been counted.

Takeovers can be bruising and long drawn-out. This summer's acquisition of Arthur Bell and Sons, the whisky firm, by Guinness the brewers was one such.

Merchant banks are the City's master tacticians

Raymond Miquel, who has been kept on by Guinness as Bell's chairman, described his scars to Ian Wooldridge, the *Daily Mail's* sports columnist, when they met at the Ryder Cup the other day. Wooldridge went away shaking his head in disbelief. "My humble advice is to stick to sport, a much cleaner business," he wrote afterwards.

The relationship between the merchant banker and his client is highly delicate. Both their reputations are on the line: a bid that fails is a black mark for the bank, and it can stop a budding tycoon in his tracks.

So both banker and client are in the business of picking winners. "You are advising on very important transactions for the people involved in them," Magan said. "Being successful has a huge impact on their existing business and their stock market rating."

A takeover bid is three months of solid work, coupled

Masters of the takeover game



with a lot of uncertainty and high-tension. You have to be the sort of person who lives through that during the day and still gets eight hours' sleep at night.

Until recently, companies used to stick with the merchant banks which helped them go public on the Stock Exchange, and it was rare to move. But those old loyalties are fast breaking down.

United Newspapers - which owns a chain of magazines, including *Punch*, and local newspapers - came to Morgan Grenfell a year ago when the publishing group's chairman, David Stevens, saw the possibility of having a go at Fleet.

A key 15 per cent stake in Fleet was held by Robert Maxwell, who would be prevented from making a bid himself since he bought the Mirror Group in July last year.

United was too small to bid for Fleet then, but with Magan's help it bought Link House, the Exchange and Mart firm, in exchange for shares. Then in January it issued more shares to Maxwell in return for the Fleet stake. Stevens was poised to strike.

They had to react within a few weeks, when Lord Matthews, the chairman of Fleet, said he was having talks with Aitken Hume, an investment group run by Timothy and Jonathan Aitken, two cousins related to the founder of the *Daily Express*, the late Lord Beaverbrook.

The first job of the Morgan Grenfell team was to make sure that Fleet and Aitken Hume did

not merge, because that would put Fleet out of United's reach. As big chunks of Fleet shares were held by fund managers who wanted Fleet kept in shape for a bid so that they could cash in, it was not difficult to put the word round that an Aitken deal would fail.

Sure enough, it did. Three weeks later, Stevens made his play - but instead of putting up a straightforward offer, which he knew would automatically be put on ice by the Monopolies and Mergers Commission, he simply asked the Department of Trade and Industry for "consent in principle" to bid.

Kleinwort had a thick dossier on Fleet, dating back to 1981 when they helped Sir Nigel Brookes's Trafalgar House to demerge the newspaper group as a separate company.

"In a funny way, the defence started then," said Clementi. "We have been through several would-be pretenders to Fleet since then, including the Australian Robert Holmes a Court and Robert Maxwell. We have always advised Fleet that the best defence is a good record and a high share price."

At the end of August the Department of Trade gave United the consent it wanted. Within a week, Stevens launched United's bid, valuing Fleet at 330p a share, or £280m, and the propaganda war began.

That war is ultimately aimed at winning the hearts and minds of Fleet's shareholders. United already has 20 per cent of the shares, a strong platform. Against that, Fleet's directors and executives speak for 6 per cent. The floating votes are a clutch of City institutions with 51 per cent and 22,000 private investors holding 23 per cent.

The early stages of a takeover are often dismissed by Fleet as "particularly feeble". Earlier this week Fleet issued a defence document which included its profit figures for the year to June.

A bid that fails is a black mark for the bank

So far the Fleet-United contest has been cleanly fought. But in the past two or three years the pressure on the merchant banks to get results has produced a far more ruthless attitude.

The City has nothing comparable to the Westminster system of lobby briefings for the press, but telephone whispering campaigns are not unknown.

The battles are supposed to be fought in accordance with a set of rules, known as the City Code on Takeovers and Mergers, which is administered by a full-time panel under the auspices of the Bank of England.

"How the code works requires constant activity," said Magan. "A lot is not codified, and depends on observing the spirit as much as the letter. You have to know the people at the panel very well and how they might respond in a given situation."

The panel, led by the former Deputy Governor of the Bank of England Sir Jasper Holloway, may have its work cut out responding to the twists and turns of a siege which could go all the way to the final deadline on November 3.

As the war between Iran and Iraq enters its sixth year, Hazhir Teimourian reports on its effects and peace prospects

When President Abolhasan Bani-Sadr of Iran awoke on September 21, 1980, to the news of Iraqi air raids on military airfields in Tehran and provincial centres, his first decision was to address the armed forces on radio and television. As Commander-in-Chief, he was aware of their morale problem: 12,000 officers had been dismissed or imprisoned by Islamic revolutionary committees, and much of their equipment was rusting or had been pillaged by political groups.

He also decided it would make a greater impact if Ayatollah Khomeini, the still-revered leader of the revolution of the previous year, appeared with him on television. But when he arrived at Khomeini's house, he found the 77-year-old ayatollah in no state to make speeches. From his place of exile outside Paris, the former President told *The Times*:

"Khomeini's hands shook. He thought that the government would collapse within a few days. I made my speech alone." The invasion, which was launched the next day when hundreds of Iraqi tanks poured unopposed into Iran at several points, did not take Bani-Sadr by complete surprise. Foreign Minister Sadegh Qotbzadeh (later executed for involvement in an alleged plot on Khomeini's life) to pay 200,000 French

francs in Paris to a Latin American, who claimed he had discovered the Iraqi Army plans for an invasion of Iran.

Bani-Sadr, who had also received information from the Iranian Ambassador in Moscow, assumed that the mysterious Latin American was acting on behalf of the Soviet Union, for the Russians were thought to maintain contact with secret Communist cells among Iraq's officer corps, despite the brutal persecution of the Iraqi Communist Party by their ally, President Saddam Hussein.

The invasion could not have come at a worse time. When asked about the state of readiness of the army, which was supposed to have 150,000 men, Mr Bani-Sadr replied: "What army? We had none!"

The armed forces had been damaged by nearly two years of revolutionary turmoil, and Admiral Madani, Minister of Defence in the previous provisional revolutionary government of Mr Mehdi Bazargan, had halved the duration of conscription to 12 months. He had also decreed that all remaining conscripts could serve in their home provinces. Thus, huge field guns and Chieftain battle tanks with delicate mechanisms needing constant refrigeration were left unattended for months. They did not move, even when crews could be found for them.

By contrast, President Saddam Hussein of Iraq had 2,600 tanks and more than 300 combat aircraft kept in battle readiness by thousands of Soviet technicians. His 200,000 troops, though split by ethnic and religious animosities, had acquired useful combat experience through years of fighting the Kurds in the north.

What he had not taken into account, though, was the strong sense of national identity among almost all Iraqis, and the religious fervour of the revolutionary Shiite zealots.

Iraqi troops initially found the going easy, penetrating Iranian territory up to 30 miles in places in the first few days. But their progress began to be hampered by the Iranian air force and the air arm of the army, whose battle readiness Bani-Sadr says he increased from about 10 per cent of total strength to nearly 90 per cent.

Bani-Sadr began to spend long spells in the south directing the war, often risking capture or death by riding a motor cycle to within sight of enemy tanks. This turned out to be a mistake, because he was leaving the impressionable Khomeini in Tehran to the intrigues of the hostage-taking clergy. They saw in the French-educated, moderate Bani-Sadr a barrier to their domination of the country's politics.

The clergy eventually persuaded Khomeini to dismiss him from the post of president and force him to go underground. But by then, in June 1981, the military tide had begun to turn in Iran's favour.

Bani-Sadr had reorganised the army to some 40 per cent of its former strength and reconquered nearly half of the lost territories that had totalled a



few thousand square kilometres.

Following the president's flight into exile in July 1981, the clergy continued his military successes, but at much greater human cost than Bani-Sadr would have contemplated. They expanded the size of the paramilitary revolutionary guards corps in rivalry with the army and recruited hundreds of thousands of children, some as young as nine, into a new force called the Basaj, the Mobilization (of the Oppressed).

In the past four years, Iran has pushed the Iraqi army behind the international border and has launched six major offensives into Iraq. These have gained it sizeable pockets of territory in the extreme south and the extreme north of the 700-mile border between the two countries, but it has failed to achieve any strategic breakthroughs.

The reasons for this failure include: the erosion of the superiority of an air force unable to buy western replacements and spare parts; the resumed purging of nationalist-minded officers after the ousting of Bani-Sadr; the considerable loss of religious fervour among conscripts and revolutionary guards disenchanted with the rule of the clergy; the readiness of Iraqi troops to put up a more determined fight once they had to defend their own land; and the readiness of France and the Soviet Union to supply Baghdad.

Numerous friendly governments, the Islamic Conference, the non-aligned movement and the United Nations have all failed to mediate to end the war because of Iran's insistence that the ruling Ba'ath party of Iraq be removed from power.

This lack of flexibility on the part of Ayatollah Khomeini is sometimes explained by his grudge against the Iraqi leader for expelling him from the country in 1978 at the behest of the late Shah. A more likely explanation is that the Ayatollah

sees his duty as liberating - at all costs - the Iraqi Muslims, a majority of whom are Shiites. According to secret government figures, Iran's dead numbered 630,000 at the last count; 489,000 were wounded.

Iraq's casualties are thought to be much fewer, but in both countries many millions have lost their homes.

There are signs that Iran will endure the war of attrition better. Recently, the construction of a new pipeline to the Mediterranean coast of Turkey was completed. It will increase its oil exports through Turkey by 50 per cent to 1.5 million barrels a day. Also about to become operational is another pipeline that links the country's southern oil fields - cut off from the Gulf by Iranian military action - to the Saudi pipeline network and the Red Sea, with an immediate output of another 0.5 million barrels a day.

By contrast, Iran, which has paid off almost the whole of its foreign debts, can see no possibility of increased revenues ahead, and has been forced to invent an array of new taxes for an already harassed population. If the Iraqi air force maintains the momentum of recent attacks on the oil terminal at Kharg Island, Iran's exports of crude oil may diminish even below their present level of 1.5 million barrels per day.

Last week in Tehran, the powerful Speaker of the *Majlis* (parliament), Hojatoleslam Hashemi Rafsanjani, threatened that Iran would close the Gulf lanes to all oil traffic if its own ability in this respect were ended. This would draw the U.S. and British navies to protect the lifelines of Kuwait, Qatar and the United Arab Emirates.

An end to the war within the next year seems extremely remote, unless a widening of the conflict would bring about a drastic solution.

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The killings that shatter faith

One Iranian officer disillusioned by what he saw during five years of the war is Lieutenant Mahmoud-Reza Aminzadeh, until recently a departmental intelligence chief in the army's air arm.

He had served in various capacities, starting as paratroop commander, and despite his junior rank, at one stage (following the turmoil of the revolution of February, 1979) was a member of the army's Islamic Revolutionary Council. Now he has applied to join the centrist opposition movement under the former prime minister, Mr Shapour Bakhtiar, living in exile in Paris.

He said that in the course of one of the battles in which he took part, the retaking of the southern town of Bostan in 1982, up to 5,000 teenage Iranian volunteers died clearing minefields ahead of the revolutionary guards and the army.

"At first, guards' commanders and the clergy decided to use hundreds of donkeys and cattle, but these stampeded towards us at the sound of the first explosions. Then the clergy got working on the teenagers, in the Basaj volunteer corps, and excited them so much that, when the attack started, they all were ready to commit suicide."

"The attack on Bostan shook me most. It made me feel less than an animal. We were about 13 miles from the town and we did not take a single prisoner until we captured it. All the Iraqis were headed by the guards or were buried alive by bulldozers in their trenches."

"The guards carry Japanese, battery-driven saws, and these can cut a man's throat in a second. I have seen men staggering for ten metres before they fell dead."

Not only has the Ayatollah Khomeini lost popularity, he said, but the regime will not be able to replace the regular army with the revolutionary guards because of the guards' inability to master modern techniques and win battles.



Aminzadeh: shaken

"We tried very hard to teach some of them to become helicopter pilots and learn other specialties. It was impossible. They are uneducated and most are above 40. Instead, the army has been expanded to about 700,000 men. What the government does, for example, is arrange for the showing of good films in provincial centres and, as young men emerge from the

cinemas the military police pounce on them and send them to the army."

There are also deficiencies in arms manufacturing. "The arms factories work in three shifts and make many kinds of weapons. I have seen anti-tank rockets made by them, but they have difficulty making platforms and remote control mechanisms for larger missiles. The platforms perish each time."

Lieutenant Aminzadeh said that the man in effective charge of the war was Mr Hashemi Rafsanjani, the parliamentary Speaker, and that 90 per cent of army and air force officers were against the regime.

"Clergymen preach to officers up to four hours a day in what they call 'political-ideological classes', but the preaching has caused the opposite effect. Everyone is fed up with the leadership of the country."

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2 Most timid (6)	13 Beer (3)	18 Forward motion (7)	
3 One spot card (3)	15 Wipe out (7)	20 Profile brooch (5)	
9 Unpleasant (6)	16 Expire (3)	21 Rotates (5)	
10 Bravery (6)		23 Blood-sucker (5)	
11 Extinct Mauritius bird (4)			
12 Clay, porcelain art (8)			
14 Building front (6)			
17 At rear of (6)			
19 Wizard (8)			
22 Scots old (4)			
24 Gloomy (6)			
25 Subdued (3,3)			
26 Meadow (3)			
27 Largest Giza pyramid (6)			
28 Beat (6)			
DOWN	2 Galore (5)	7 Dash (7)	17 House-breaker (7)
3 Novel character (7)	13 Beer (3)	18 Forward motion (7)	
4 Small root (7)	15 Wipe out (7)	20 Profile brooch (5)	
5 Separate (5)	16 Expire (3)	21 Rotates (5)	
6 Mohammedanism (9)		23 Blood-sucker (5)	

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FRIDAY PAGE

The trials of little Gloria

Gloria Vanderbilt, born into fabulous wealth and social glitter, should have had a fairytale childhood. In reality it was a cruel nightmare, Shirley Lowe reports

Gloria Vanderbilt is sitting at a corner table in Claridge's having breakfast. "Just a glass of water, please." She is beautiful in the carefree modern manner, her hair artlessly washed under the shower. She is in a stunning pink and green silk dress with a cleverly contrasting bandeau around her very slim hips (she's 155 pounds and 5ft 8in tall) and surrounded by a seductive cloud of Shalimar.

She is 61 and talking about herself again, as she has been for the last 16 years, travelling from town to town, promoting all the products that sell better if they're labelled Vanderbilt. And now she's marketing her book, *Once Upon a Time*, the true story of her childhood and written as a child would tell it - an innocent eye-view of a cruel grown-up world of deception, intrigue and deprivation.

"Truly, it happened yesterday but it also happens tomorrow," she says, speaking very slowly and carefully because she is used to editing what she says before she says it. "There's not a day when it doesn't come back to me. I live with it and it makes me the person I am."

The person she needs the approbation, the strangers who rush up to her after book signings, she says, "I understand... that's how it is. I feel it myself."

We are used to American show business folk standing up there on stage, arms outstretched, appealing to us - "Do you love me? Do you?" What is less familiar is the sight of an elegant millionaire displaying, albeit more subtly, the same need for approval and affection.

'It's kind of neat to make money... It's proof you can do it'

"Your own image of yourself comes from your parents and if you don't get that from even one person in your childhood, then you have to put it together for yourself," she says.

Most people probably know Gloria Vanderbilt as the name on the backside of their jeans. She is reputed to have made more than £10 million in one year alone for the Hong Kong firm which had the wit to bracket their plebeian product with her society name. "It's kind of neat to make money," she says. "Inherited money is okay. I'm not knocking it, but when you make it yourself it's proof, isn't it, that you can do it?"

Others will remember her as the 10-year-old heiress at the centre of the most famous custody case in



Gloria Vanderbilt: 'There's not a day it doesn't come back to me... It makes me the person I am'

America. A Thirties scandal involving big money, a starry cast including a few royal names, and intriguing tales of sexual promiscuity.

Poor little Gloria, as she was instantly labelled, was programmed to please from the age of two, after her father died of drink. He was the great-grandson of Commodore Cornelius Vanderbilt, a shipping magnate who funded a dynasty which makes the goings-on in the television soap opera of that name seem sweet and folksy. She was left in the care of her 19-year-old mother, a self-indulgent beauty who flitted across the playgrounds of Europe, often in the company of her identical twin Thelma (who married into the English aristocracy and was the mistress of the Prince of Wales until she introduced him to her best friend, Wallis), recklessly spending her daughter's inheritance.

The daughter followed behind, accompanied by her maternal grandmother, Naney, and her beloved German nanny, Dodo. They were her family and they acted as a catalyst, reporting the young mother's shocking behaviour to Aunt Gertrude Vanderbilt Whitney and poisoning Gloria's mind against her mother.

Say you hate her, they said, or she'll take you away from us. Say you want to live with Auntie Ger and we'll all live happily together for ever. She wrote, under dictation: "My mother is

a rare beast... She told the judge: "I hate my mother", and when the doctor came to examine her she made "Ooo-o-ee-ee-ee" noises so that he would tell the judge how sick it made her knowing she might have to leave Auntie Ger."

Everybody said: "Well done, little Gloria" and the irony was that after Auntie Ger won the case, Naney was banished to a small hotel room in New York and Dodo was dismissed. "How can you say goodbye to someone you can never say goodbye to?" she writes.

'I didn't think I could ever be thin enough to please her'

She learned to negotiate her needs through lawyers, nursemaids, detectives and hired help. On weekend visits to her mother, driven to lunch at the Sherry-Netherland in the Hispano-Suiza with her nurse, she worried about fitting in with her mother's fascinating friends. She felt an intruder in her aunt's house, a guest at her mother's luncheon table.

"I wanted to belong, to belong to my mother. And in return, I wanted my mother to belong to me." But Big Gloria was slim and elegant and Little

Gloria was fat. "If I could lose some fatness, to fit more into the overall picture... who knows what might happen?" she writes. "Why, Mr Roberto Mendoza (her mother's current beau) might love me enough to want to be my father. And if that happened, my mother might love me enough to want to be my mother."

But her mother would drift away - down staircases, along avenues in her pale furs, snow-sprinkled, disappearing into the velvet caverns of waiting cars and home away, away, away... And next time they met she'd greet her with a social peck on each cheek ("It was as if the first kiss didn't count..."). When Little Gloria confided that she'd started "the curse" her mother cried: "Oh darling, I'm so glad, so glad, so glad. Now I must jump into my bath otherwise I'll never be ready for lunch."

"I could ever be thin enough or do enough to please her," says this exquisitely preserved and presented woman who sticks to a stringent diet of bran, bananas, skimmed milk, fish, chicken, steamed vegetables, fruit, a protein bread with only 47 calories a slice. "I can remember appearing in my first play and afterwards I said to a friend: 'Did I look thin on stage?' and he looked surprised and said 'Sure' and I said: 'Yes, but did I look really, really thin?'"

and when he said 'Yes', I thought, 'That'll show her. And she wasn't even in the audience.'

The book ends on a happy-ever-after note with Gloria, 17, running along a Malibu beach, away from the adults who'd confused her childhood, into the arms of a handsome young man. She didn't marry him. She chose her mother, brought Dodo, the beloved nurse, to live with her and was plunged again into divisive rows. She married, at 18, a Hollywood agent because she wanted to get away from her mother.

At 21 she married Leopold Stokowski, the conductor who was then 62. "I loved him very much and he was passionate about me," she says. "He gave me an enormous sense of myself and he encouraged me to paint." They had two sons, were divorced and after a brief marriage to film director Sidney Lumet, she had 16 happy years and two more sons with the writer Wyatt Cooper.

'I have succeeded in everything my mother failed in'

Her greatest triumph, she says, is that she has been a successful mother. "I have succeeded in everything my mother failed in - first as a parent and then in my work," she says. She and Wyatt Cooper, who died seven years ago, had "the most extraordinary and wonderful family life." They went together to see her mother before she died. She was small and pathetic. "I couldn't believe I had ever been frightened of her. She was suffering from hysterical blindness and Wyatt Cooper said: 'This woman doesn't know one single thing that ever happened to her.'"

"Just think what that means," says Miss Vanderbilt, leaning across the table. It is the first time her eyes have come alive. "She never knew what she was doing. Her husband, she says, thought she was so wonderful it was hard to live up to. 'I'm very critical of myself and I try not to be such a perfectionist because perfection is impossible to achieve.'"

She has tried. She's a successful artist, writer, business woman and she's got a man, now, who admires how she looks. Appearance, she says, is an important part of one's self image and she works at it with yoga, exercise, dieting and (surely, with that baby-smooth skin) cosmetic surgery. "She's had her face lifted so high that every time she crosses her legs her mouth snaps open," comedienne Joan Rivers says unkindly.

Most of all, she's been able to put the record straight. "It is so incredible to write about your innermost painful feelings and reach other people. One letter was so marvelous. It was from a woman who wrote: 'They gave you a lemon and you made lemonade. Isn't that adorable? That makes me feel so good.'"

Once Upon A Time, a true story by Gloria Vanderbilt is published by Chatto & Windus. The Hogarth Press on September 23, price £9.95.

The Pill: what the doctors order

MEDICAL BRIEFING

possibility of poverty directly weakening the cardio-vascular system.

Injection swab is 'waste of time'

One of the most common medical procedures - swabbing the skin before an injection - may be nearly useless. Swabs are usually saturated with alcohol and although they are effective against bacterial contamination, fungal spores and viruses are pretty impervious to them.

In theory, that should not be too much of a problem because the main hazard is from bacteria nesting on the skin which might be dragged inwards during the injection.

In practice, even bacteria are not a danger. More than 15 years ago, Dr Thomas Dann, then of University College, Swansea, reported to the *Lancet* that after performing 5,000 injections without swabbing, no infections had developed. This was confirmed in 1982 when research showed that there are simply not enough bacteria on the skin to lead to an infection.

Dr Graham Barker, writing in the medical newspaper *BMJ*, admits that even though he has calculated that the 800,000 swabs carried out each year at his own hospital - the Middlesex - are a waste of more than £3,000, next time he has to take a blood sample he will swab the patient's arm. For many patients the idea of having an injection without that cooling dab would be unsettling.

How to get rid of your tattoo

A ferry stewardess had been happily employed for years until the line decided to change the uniform from a short-sleeved to a long-sleeved version. Overnight her job was in jeopardy because she had a tattoo.

Tattooing involves pigmenting the fibrous lower layer of the skin (the dermis) and it can only be removed if the skin involved is cut out: the wound will only heal with the help of a skin graft. Small tattoos are not a problem because they can usually be lifted out and the skin heals over the gap.

Other methods have been tried, but they tend to be painful and leave scars which are almost as much of an eyesore as the tattoo. One is dermabrasion, which means the skin is ploughed up with a wire brush - taking the pigment with it; another is salabrasion when the pigments are leached out by salt.

Technology has had a hand in attempts at depigmentation, too, but like the traditional methods they are of limited success. Cryosurgery involves freezing the pigmented skin to death but it, too, leaves its mark.

Laser treatment was heralded because it was thought that the beam would be absorbed by the pigment differentially and damage to the surrounding tissue would be minimized. However, a report in the recent issue of the *British Journal of Surgery* from Middlesex Hospital is disappointing. Surgeons have given up using a carbon dioxide laser because the results are no better.

Olivia Timbs and Lorraine Fraser

Sounding out ultrasound

The routine use of ultrasound in pregnancy should not harm the mother or baby, some of the world's leading experts said this week. In expert hands ultrasound could be very useful, the 13th World Congress of Gynaecology and Obstetrics, in West Berlin, was told.

One of several speakers supporting this view was Professor Stuart Campbell, Professor of Obstetrics and Gynaecology at King's College Hospital, in London. He said the biggest advantage of a scan at 16 to 18 weeks was that it allowed doctors to "date" the pregnancy and predict accurately when the baby was due. This meant that women were less likely to be induced.

Routine screening could also pick up congenital abnormalities and help spot twins early in a pregnancy (roughly 10 weeks earlier than other methods). A second scan at about 32 weeks would show if the baby was not growing properly. Steps could then be taken to correct this (by prescribing bed rest, for example). The biggest criticism of routine ultrasound screening is that although it has been used on millions of women it has never been shown scientifically to be beneficial. However, a Norwegian study detailed at the conference demonstrated for the first time scientifically the value of using ultrasound to date pregnancy.

Health risks to the self-made man

The poor boy who makes good could run into some unexpected health problems.

Research has shown that people who have a poverty-stricken childhood but then go on to enjoy a high standard of living run an increased risk of developing heart disease, where the chances of this are badly off die of this sort of condition.

A study of more than 14,000 people in the Norwegian town of Tromsø found that people who had a less privileged childhood were more likely to smoke and have high blood cholesterol levels - both known to increase the chances of heart disease. But the authors of the study, published in the *Journal of Epidemiology and Community Health*, do not discount the

Snap, crackle and pop behind the BBC's serials

You can inflict no more exquisite torture on a BBC drama executive than to interview him for a couple of hours and not ask him why the BBC can't produce a serial as good as *The Jewel in the Crown*.

Driven to madness by the torment of punishment with which he will have to flail himself saying - as Jonathan Powell, Head of Series and Serials, did - "Why don't you ask me why the BBC can't produce a serial as good as *The Jewel in the Crown*?"

Well, why can't it? "A corporation which can offer *Bleak House*, *Edge of Darkness* and *Tender is the Night* need not concern itself with such comparisons," retorted this plucky, proud and loyal 38-year-old executive.

Viewers will get the chance to judge for themselves on Monday, with the first showing of *Tender is the Night* (BBC2, 9.30pm, repeated Thursday); the six-part Dennis Potter adaptation of Fitzgerald's tale of a poor little rich girl.

Powell, executive producer of the series, has an impressive list of producer credits since joining the BBC from Granada eight years ago: *Tinker, Tailor, Soldier, Spy* (Critic's Award for Best Serial, BAFTA and Emmy nominations); *Testament of Youth* (Royal Television award for Outstanding Creative Contribution to television; BAFTA award for Best Serial); *Smiley's*

People (BAFTA and Emmy nominations); *The Barchester Chronicles* (BAFTA nomination). There were also *Sons and Lovers*, *A Christmas Carol*, *Thérèse Raquin*, and the political allegory, *The Old Men at the Zoo*.

Powell is responsible for up to 220 hours of television drama a year, ranging from the quarantined *Dr Who* to *Bleak House*. His appointment was announced in October 1983, the month the BBC was perspiring over figures which gave it only a 43 per cent share of viewers, and in a week when not a single BBC programme made the top ten.

He did not know his vocation existed

It is rare that a huge corporation has the sense to promote a creative talent to be head of a substantial empire. But it is rarer still that such a personality is perfectly at home in an institution. Powell is no Tony Garnett (*Calypso* Home: *Days of Hope*), politically committed and spending his life sparring with his controllers; he is almost indelicately at ease with organizations and admits to not minding the frustrations.

His secret is probably that he is a product of a happy family.

He was brought up in a wealthy family on a glorious fruit farm in Kent. The headmaster of his public school, Sherborne, had this to say: "Johnny was a quiet, self-contained boy. He did not sparkle academically, but he was very sound. Played his rugby. Liked his fishing. I did too. We got on frightfully well." Not surprising perhaps, since the headmaster was his uncle.

Between school and university his parents treated him to a wealthy boy's three months holiday in Venice - where he saw the Living Theatre - and then more adventurously he signed on as an 18-year-old assistant purser on the Empress of Canada, shipping emigrants to Canada. This provided his first Dickensian glimpse of the world. There was a dock strike in Montreal, so the ship unloaded the emigrants and steamed back to England with all their luggage.

Oxford would not offer him a place, so he made a crucial decision in 1966 to go to the new University of East Anglia, where he fell in with people like avant-garde playwright, Snoo Wilson, with whom he shared a flat, and ran the drama club with Howard Brenton and David Hare. These were the revolutionary 1960s in a university still composed of prebends and with no constricting traditions. There wasn't even a theatre.



Artist in residence: drama executive Jonathan Powell

When they wanted to put on a play they performed it on the grass.

Snoo Wilson, who knew Johnny then as a beer-quaffing, laid-back fat boy, has difficulty explaining today's trim, executive who chain smokes and drinks coffee as if he fears for the future of the coffee bean.

But a transformation, which was probably more a reversion to his self-contained diligent youth, appears to have taken place. This was 1969, and Powell was taken on by Granada as a trainee producer. He realized the flip side of hang-gliding university life: if there were no traditions to react against, neither was there anyone to steer you in the right direction. He discovered he knew nothing about drama.

He was taken under the wing of John Finch, then writing a *Family At War* (52 episodes) and it was working as a dogbody that Powell discovered his true vocation. It was not, as his professor at Norwich (Malcolm Bradbury) had supposed, writing, nor directing, but in dealing with writers and directors and generating story lines - a job he did not know existed.

credit goes to the writer or director.

Powell is not always immaculate in his support of the creative side. Wasn't there something about re-shooting *Sons and Lovers* to accommodate American co-producers? (The Americans were more puritanical.)

"Rubbish," he denied. Then, without prompting, confessed: "Well, we may have re-taken a couple of shots, as a matter of fact. We had a bit of a row about it with Trevor Griffiths. Trevor obviously felt strongly about that and absolutely correctly so. But if you are supplying another broadcaster and you argue about what size shots you take of a person's body I don't see anything wrong, as long as you discuss it with the programme makers."

The theory that Dickens cannot be rewardingly adapted for television infuriates Powell, and he was ready with a vehement riposte: "The line is - and this is *The Times*' critic's line - that Dickens's characters are so vivid they exist only in the reader's imagination and to embody them on television is to somehow forge them in stone and to subtract from the pleasure of reading the book. I think this is rubbish. It's stupid elitism. I actually don't think that you hold pictures in your imagination."

His attitude to whether these adaptations should have a contemporary political or social resonance is a perfect synthesis of the BBC stance, which is to present itself as compassionate and liberal but not politically committed.

"We live in a world where we have been exhorted to return to 'Victorian values'," he said. "Dickens was a great critic of Victorian values. What is *Bleak House* about? It is about the nature of greed, and preservation of the class structure, and about a society where there are no safety nets. You can see how quickly people can fall through the net."

Tinker, Tailor carried a message too. "It is a spy story, but it is also a microcosm of institutional life in this country. I don't think you can really understand England without understanding institutional life."

Peter Lennon

Compassionate but not political

A lively, youthful and, at times, even juvenile, personality Powell is unmarried and has no hobbies.

People say Powell is married to the BBC. It might be more accurate to say that he is infatuated with the promiscuous life of the executive producer, intimate with half a dozen projects at a time, then moving on to another round of emotionally draining relationships with writers and directors. In the end the full creative

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Thomas Lloyd

THE TIMES DIARY

Princess in print

Princess Anne is fast becoming the Royal Family's answer to Terry Wogan. Only weeks after appearing on Radio 4's *Tuesday Call* - the first royal to do so - she has written a witty, and by royal standards rather naughty, article for next week's *Punch*. I have managed to secure an advance copy of the piece from her typewriter. Typed on Buckingham Palace notepaper, it opens:

"The camel next door to me let off a series of the most revolting, flatulently, bilious noises I have ever heard. The noise only stopped after it was made to kneel down."

Reporting her experiences in Ethiopia, Princess Anne is nothing but candid. "It was a memorable trip, not least because of all the little 'friends' who shared my sleeping bag, and the amount of weight I lost. So far I have (regrettably) not managed to achieve a similar reduction again." When it rains in Ethiopia, she says, "the roads simply disappear and short of a hovercraft no transport moves. In those conditions, the ubiquitous (sic - if I dare to check a royal for misspelling) Land-Rover is still the best bet (and I'm not even sponsored by them)." And we all know who is... hubby Mark.

Waterbeds take on a different meaning for Mozambique's leader, Samora Machel, who met President Reagan in Washington yesterday. At home, so fearful is he of surprise rebel attack, I am told, that every evening he boards a helicopter and flies to a ship several miles offshore, where he can rest his head in safety.

Manipulation

Where was David Steel in the hours before David Owen's speech to the Liberal assembly in Dundee? Flat on his back - at Dundee Football Club. He had apparently woken in agony with back pains after a riding accident. An inspired lackey suggested he pay a secret call to the club, and was duly given the once over by resident physiotherapist Eric Ferguson. Yesterday Ferguson refused to discuss his massage techniques. "My relationship with my patients is confidential."

Hung party

William Wallace, the Liberal official who said in a leaked letter that the party was not ready for government, has been telling Dundee delegates that David Steel is not at all angry with him. The press, he says, misconstrued Steel's threat at the SDP conference last week that he was going to be hanged, drawn and quartered. Steel, he claims, even rung him up to say it was a joke. Some of us know better: when Steel called, Wallace started to push his luck and expounded the Liberal traditions of free speech and pluralism. "After all, it's not an automatic party, David," said the smug Wallace. "It is now," replied Steel coldly, and hung up.

Not known

Things must have got too hot in the Kremlin for Comrade Gorbachov, so he's moved. His new address, according to the mailing computer of the Journal of Defence and Diplomacy, is:

0000737100000 CHAD PSJL
Nikolai Gorbachov
Gen Sec USSR Ministry of USSR
100000 MOSCOW
100000 USSR

Ken the hack

Tory Central Office will doubtless have apoplexy at one press application to attend the Blackpool conference next month: Ken Livingstone. Complete with photograph - and two home numbers - he is applying in his capacity as a reporter for *Tribune*. I wonder what his shorthand is like.

Inside story

Evening classes in Hammersmith and North Kensington are not just ballroom dancing and lingo lectures. The Adult Education Institute will see you in prison - Wormwood Scrubs to be precise. For £10 a term prison officers will tell students all about life in a top security slammer.

Minister, yes

Lord Matthews got it in the neck when he mistakenly referred to guest of honour Norman Tebbit as an "ex-minister" at a *Daily Express* banquet held this week. Tebbit replied good-humouredly "I am still a minister. I am Chancellor of the Duchy of Lancaster and don't you forget it."

Touring trophy

France must be ruing the day it decided to steal British traditions: the enormous and ornate silver trophy awarded last month in the Oxford-Cambridge boat race at Mandelieu in the south of France has already been lost - and the triumphant Oxford crew seem unconcerned about its whereabouts. This must be hard to take for the Mayores, Madame Moreau, who organized the event: last year Cambridge's runners-up trophy also vanished, and the French generously replaced it. Madame Moreau has no intentions of forking out on this occasion. "The cup was last seen in Valentine's disco," said a spokesman. Oh, dear, I think the French police may want me in for questioning. I was at the race in question, and attended said disco. I last saw the trophy in a mini-mo of Cambridge lads at 5 am. I was sitting on it...

PHS

Boom that would soon go bust

Roy Hattersley yesterday introduced Labour's plan for greater capital investment in industry. Gerry Steele questions the arithmetic

Roy Hattersley's economics are sixth form, and his reading of the text books did not go far enough. Here is why.

In Hattersley's scheme the government or its investment agency must have at its disposal substantial sums to be invested directly in British industry. The source is to be the "vast amounts of British money which have been invested abroad by investment institutions".

There is to be no attempt, however, to enforce repatriation of money lodged abroad or to introduce foreign exchange controls to deter further outflows of capital. Foreign exchange controls would, Hattersley says, be anachronistic and cumbersome to administer and would stifle trade. They are ruled out on the grounds that they would have minimal effects on most currency transactions anyway. Instead, he proposes that certain kinds of British investors are to be made an offer they cannot refuse.

All "fiscal privileges" - tax exemptions, taxation at composite rates, CGT and CTT relief - would be withdrawn from institutions failing to meet his investment criteria. The criteria would comprise a limit on the proportion of foreign assets held, and the requirement that a proportion of all funds be placed with a new National Investment Bank (NIB). Guaranteed gilt-edged NIB stock would be made available at market rates of interest. Then, with additional government finance, low interest investment loans would

be made available to favoured projects.

There are a number of cunning features in the proposals. Arrangements would be entirely voluntary, and hard financial good sense is expected to convince institutions that their interest lies in repatriating funds. Even if they refuse, then the gain in revenue to the Treasury arising from the removal of fiscal privileges would be immense. Either way, the NIB would receive money from the institutions directly, or from them indirectly through higher taxation.

The repatriation of funds would create additional demands for sterling. This by-product would prove convenient to a Labour administration which, in running a "high employment economy", would be setting up reverse pressures upon sterling. This would be a fortuitous balancing act, which would reduce the need for other measures to protect either the balance of payments or the value of sterling.

Hattersley believes that his scheme would work by reducing the cost of investment funds to companies which presently are unable to find or to afford backing on commercial terms - the thousands of companies all over the country

which find it impossible to finance the expansion which they seek. Given that funds would be repatriated to be used by the NIB, would Hattersley's objectives then be met? Two fundamental points are here relevant: points so basic that they are covered in school textbooks and could not have been unknown to Hattersley's advisers. The first is between the rate of return on investment expenditure, and the aggregate level of that expenditure. The second is that, without the most stringent of foreign exchange controls, internationally mobile capital is attracted by the highest returns on investment, and that this produces a tendency towards uniformity of rates of return. If these relationships are borne out in practice, then Hattersley's proposals cannot succeed.

At first, the removal of fiscal privileges and the repatriation of capital would have the desired effect. With the demand for investment funds unchanged, the increased availability would force down rates of interest in the UK. However it is proposed to absorb repatriated funds into the NIB which, in offering existing market rates, would prevent such a fall.

When the NIB starts to make finance available at subsidized rates,

new projects would begin to compete with those already established. Although the latter would formerly have been viable on commercial terms, it is unlikely that all would remain so when exposed to newly subsidized competition.

The return on many of these earlier investments would then be insufficient to warrant further commitments. Given that sunk costs are sunk, there may be a short-term gain (in the total of capital investment undertaken in the UK) but, beyond that, those projects would no longer be viable. The reduced return on UK projects would stimulate a capital outflow, which would again work to restore the original position.

Hattersley would be able to itemize the new projects financed with NIB funds and so claim successful achievements. But the companies affected by the subsidized competition, and the inefficiencies introduced by backing the mediocre against the best, would be invisible, unmonitored statistics.

The author is lecturer in economics at the University of Lancaster.

Bailey Morris on growing US demands for trade protectionism

A bandwagon bound for disaster?

Washington
It is a foregone conclusion that the US Congress will ignore the personal appeals of President Reagan and pass strongly protectionist legislation. The question now is not whether, but what kind, and at what cost to the rest of the world.

For the first time, the fear is being expressed that the roaring Eighties of President Reagan's first term could turn into the second great depression, just as the roaring Twenties turned into the first. The bogeyman then as now was protectionism.

The US trade problem, marked by an enormous deficit projected at more than \$150 billion this year, is moving like a brush fire from the textile states in the south across the industrial midwest into the western sunbelt where the Japanese presence is strong.

Left in its wake are faltering companies, communities with persistently high unemployment and a growing number of angry people. The perception is widespread that the US is no longer "number one". Inevitably, there are questions: How did this happen? Who is to blame? This is the message returning congressmen brought back to Washington after the long summer recess. Their constituents are out for blood. To win re-election in 1986, they must act firmly.

In Arizona, for example, the recent closure of 13 copper mines was blamed on unfair foreign competition. Morris Udall, a Democrat, has promised voters: "If the president will not lead on this issue, Congress will do the job."

This explains the new, get-tough tone emanating from the White House over the past two weeks. The president's advisers, slow to recognize the depth of congressional frustration, must now act quickly to have any chance of containing the flood of protectionist legislation pending in Congress.

Accordingly, Reagan announced on September 7 in his weekly national radio broadcast that he had ordered investigations into the "unfair" trade practices of three countries: Brazil, Japan and South Korea. In addition, he set a December deadline for action on a trade conflict with the EEC. Later, the White House bowed to pressure from angry Republicans and agreed to cooperate in drafting new legislation intended to reduce the swelling volume of foreign imports. Reagan is likely to announce a series of initiatives, described as the administration's new trade policy, and tentatively scheduled for release next Monday.

Pretoria came under intensified US pressure yesterday over its support for Angola's Unita rebels. Less emphasis is being given within the international community to the outside help for the government forces.

There has always been some confusion over who exactly Jonas Savimbi's Unita forces are fighting. The figures of 107,000 Angolans (75,000 or so army and 30,000 "civil defence"), and just over 33,000 foreign military personnel, probably be the nearest to reality. Of the foreign contingent, 30,000 are Cuban and the rest Soviet, Portuguese, Bulgarian, Yugoslav, Romanian, Polish, Hungarian and North Korean.

Under a "treaty of friendship" there is now a major Soviet naval presence in the south Atlantic. At any given time up to eight warships patrol from Liberia to Angola. Soviet submarines may be seen on the surface in the early hours. Tu-95 reconnaissance aircraft operating from Angolan bases assure surveillance of an important western route. (Similar surveillance is carried out from Cuba, Ethiopia, Yemen, Syria and the former US base of Cam Rahn Bay in Vietnam.) Soviet military personnel in Angola are principally in coastal towns where the arms they have supplied are protected by ground-to-air missiles. At one stage it appeared that military hardware was brought into



Moral News

The shift in emphasis from the first Reagan term to the second has been made. Congress, unable to act on the massive federal budget deficit at the root of the trade problem, is promoting the "unfairness doctrine" and the White House is following suit. The president's former loud insistence on free and open markets is being muted in favour of a new message that unfair trade practices will not be tolerated.

There is a real danger that the whole process could degenerate into a round of international name-calling. A large number of debt-ridden Third World nations would inevitably lose. Alternatively there is the strong possibility that the US and Japan, the world's economic superpowers, will lock horns in combat, igniting an economic cold war which would have broad repercussions for decades.

Much will depend on the kind of legislation drawn up by Congress in the difficult months ahead. It can either attack entire regions of the world, or single out specific industries.

More than 300 bills are pending. Over the next two weeks, it is virtually certain that Congress will pass a textile quota bill which would cut American imports of clothes and cloth by more than one-third, thus extending even greater protection to one of the world's most protected industries. Both Thomas "Tip" O'Neill, Speaker of the House, and Robert Dole, the Senate majority leader, agree that the textile measure will pass. What is not known is whether Congress has enough votes to override a promised presidential veto.

The textile battle will be a key test of whether the protectionist fire spreading across America can be contained. It will also test how well Reagan is able to manage Congress during his second term. Reagan has already lost considerable ground by failing to recognize the importance of the balance of trade deficit. The protectionist White House trade policy is not likely to prevent Congress from moving ahead on its own, and

leaders of both parties are describing it as "too little, too late".

Democrats, in search of an issue since the humiliating defeat of Walter Mondale in last year's presidential election, have been quick to seize the initiative. "It is a jobs issue. It is a nationalist issue. If we cannot deal with other countries on the trade issue we are weak," said Tony Coelho, the California congressman who chairs the Democratic Congressional Campaign Committee.

This message was heard clearly by Texas voters in the conservative First Congressional District during a recent special election. Democrats, outperformed by Republicans more than two-to-one, narrowly won after the Republican said he did not see what trade policy had to do with jobs in east Texas. Since then, "Texas One" has become a rallying cry for Democrats seeking re-election.

Senator Gary Hart, expected to repeat his bid for the Democratic presidential nomination, is also running hard on the issue. He will introduce legislation articulating what in effect will be the "Hart trade policy", focusing on everything from exchange rates to barriers in Third World markets.

But Hart correctly sees that while trade is a hot issue, it is also a dangerous one. The growing national zeal to "get tough" with the Japanese could backfire, dividing nations and producing restrictive quotas which would damage world trade. There are also proposals in Congress to control the high dollar by legislating exchange rate controls. This would play havoc with world currency markets.

All the same, a growing number of congressmen from both parties are leaving the free trade fold. A bill gaining widespread support in Congress would force Japan and other nations to cut sharply their trade surpluses with the US or face a 25 per cent tariff on their goods, the most restrictive tariff since the 1930s.

To rationalize their positions, congressmen cite the huge loss of jobs in the US which has been blamed on foreign competition: 210,000 manufacturing jobs in the first eight months of 1985, and 1.5 million since 1979.

These are the issues which will test Reagan's free trade mettle in the months ahead. They are issues which will figure prominently in the 1986 mid-term elections and the next presidential election. The US trade problem, no matter what action is taken, will not disappear overnight.

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The outside forces propping up Angola



President Dos Santos: helped by the entire communist bloc

Angola from a hotch-potch of sources, mostly Warsaw Pact countries and some Arab states. Now a pattern is discernible in which individual nations play a particular role and provide, almost exclusively, a certain product. The Hungarians provide stick grenades and the North Koreans pangas, a weapon favoured for close combat in black African states and without parts to go wrong for the mechanically unsophisticated user.

Yugoslavia contributes a 30mm grenade launcher which has a special sighting mechanism requiring Soviet or East German technical knowledge to set. This mechanism is likely to

"de-regulate" in the hands of the uninitiated, making the weapon useless unless resighted back at base and therefore perhaps ruling out its use in what is, essentially, a bush war. Yugoslavia also supplies anti-personnel mines, trip-wire grenades, hollow-charge rockets and the only triple-barrelled anti-aircraft gun in the area. The degree of Yugoslav involvement and co-ordination with the Soviet Union and other Warsaw Pact nations is a new phenomenon not only in Angola but anywhere in the world.

The Russians themselves supply advanced radar and communications operated by Soviet personnel. Such sophisticated equipment apart, the accent is on manoeuvrability. Hence the use of the six-wheeled Ural trucks from which 122mm rockets are fired with a range of up to 13 miles.

The North Koreans are engaged in the training of special forces for cross-border hit and run operations. They specialize in booby traps and utter ruthlessness; their recruits are known to prefer to blow themselves up rather than be captured. Soviet instructors and Koreans jointly form assassination squads using weapons with night-sights, silencers and subsonic ammunition, until now issued only to spetsnaz troops.

The East Germans play a key role. Technically and mechanically efficient and disciplined, they train pilots, radar operators and artillery

crews. In addition they have a training camp just south of Luanda where students include members of the Baader-Meinhof gang, the IRA, PLO, African National Congress and Swapo.

Of the Cubans, some are advisers, engineers and pilots. Others provide suffering to the Angolan army fighting Savimbi and some help the East Germans to train recruits.

The Russians have not had it all their own way. As much as the West, they have failed to understand the complexity of tribal politics and traditional fighting, and the power of the chiefs. Much of the material poured into Angola is wasted, as hi-tech advisers seek to impose a European technology and style of warfare on to an emerging Third World people.

The subsequent financial losses must be highly embarrassing to Moscow. But never before has it withdrawn voluntarily from any area once installed - a point that the West would do well to remember. On the other hand, should Gorbachov be tempted to pour in more equipment in an attempt to crush Savimbi once and for all, he should ponder the lesson of Afghanistan: that an open-ended commitment is one that Russia cannot afford.

Evelyn Le Chêne

The author is director of the West European Defence Association.

David Butler

Compulsion of the three-line quip

Words are the tools of politicians. Communication is their trade. But their output of memorable phrases is limited. Most people can recall "apalling frankness", "lower than vermin", "pound in your pocket", or "on your bike". Yet the total corpus of British political utterances that have retained some popular resonance would fill only a few pages.

For some years now I have compiled a list of such remarks. It is fascinating to trace them back to their origins, often obscure and even fictional, and to consider what elements saved them from the oblivion to which political observations are usually consigned.

There is a relatively small category of well-honed phrases that are deliberately designed to be memorable. It was Rudyard Kipling who suggested to his cousin, Stanley Baldwin, the celebrated put-down of the press lords who sought "power without responsibility" - the prerogative of the baronage throughout the ages (March 18, 1931).

Winston Churchill had long since polished the classical rhythms of "Never in the field of human conflict was so much owed by so many to so few" (August 20, 1940). For a decade earlier, he had written of the "flapper vote": "Never was so great a change in our electorate achieved so inconspicuously" (*Sunday Mirror*, August 9, 1931). Nye Bevan meant his "naked into the conference chamber" (October 3, 1957) to be remembered. So did Hugh Gaitskell with his "Thousand years of history" in October 1962.

Enoch Powell must have been fully aware of the power of his prepared text when he quoted Virgil: "I am filled with foreboding. Like the Roman I seem to see the River Tiber flowing with much blood" (April 20, 1968).

Often the aptest quotation is a timely echo of a past remark. Leo Amery's assault on Neville Chamberlain, "You have sat too long for any good you have been doing... In the name of God go", used Cromwell's words to the Long Parliament. Roy Jenkins' "breaking the mould" came from Marvell's words on Cromwell "teasing the Kingdom out of another mould". A large proportion of the phrases that have gained currency, however, have been the boomerang slips of the tongue or double entendres that have been picked up for exploitation by the other side.

The Attlee government was peculiarly vulnerable. The Conservatives made much of Sir Hartley Shawcross's "We are the masters (now)" in April 1946. Manny Shinwell's "As for the rest they do not matter a tinkler's cuss" (May 1947) and Nye Bevan's "lower than vermin" (July 1948).

Two other Labour stalwarts gave more prepared hostages to fortune. Arthur Greenwood had spoken of "meaningless symbols" (February 16, 1943) and Douglas Jay wrote in 1947 that "the gentleman in Whitehall really does know better".

Sometimes the awkward quotation is created by interview - and airports seem to offer a special hazard. One of the most famous "Rabbisms" occurred in December 1955 when a reporter at Heathrow asked R. A. Butler: "Would you say that (Sir Anthony Eden) is the best prime minister we have?" and he replied "Yes". The celebrated *Sun* headline "CRISIS: WHAT CRISIS?"

moreover... Miles Kingston

Autumn leaves, but not for long

Monday, September 23, Autumnal Equinox. Autumn already? But summer hasn't arrived yet! Politicians reported yesterday that after a three-month search, there was still no sign of summer, and no clue to go on. Hot weather has been struggling through the South of Spain, leaving many bodies lying motionless on the beach, but the extradition treaty with Spain has not been signed in time to bring summer back to these isles. I know - let's have the seasons in the wrong order! Autumn now, summer later. You'll never get the unions to agree, sonny. No, I suppose you're right.

Autumnal equinox. Equinox? Wasn't he the bloke that used to edit *Punch*? No, you're thinking of Autumnal E. V. Knox, the man from whom light verse used to fall as thick as leaves that strew the brooks in Valpurgis, ti-tum-ti-tum-ti-tum. British and Commonwealth Light Verse Champion, he was, for 10 years. I remember seeing him go 10 rounds against A. P. Herbert at the Albert Hall for the title, ding-dong battle it was, he went ding and the other went dong, and after that it was ding dong ding dong. I fell asleep after five minutes.

Autumn. Time for bubble-burning. Yes, if you're fed up day after day scraping away at your chin with that old blade, why not set fire to your stubble? Simply soak your beard in Old Christmas Pudding Brandy, put a match to it and watch the gentle blue flame lick across your features. Stick a sprig of holly in your mouth if you like, but afterwards you'll be as smooth as an insurance broker, and they don't come smoother than that.

Hello. Are you adequately insured against autumn? You know, every year we get thousands of people going bankrupt because leaves are blocking their drains, squirrels are putting nuts in their ventilation ducts or migratory birds are taking their funds back to Egypt. And yet you can so easily guard against this by taking out our full Autumn Assurance Complete Risk No Holds Barred Comprehensive Idiot Plan. You give us the money. We take it. It's as simple as that. And if

during the winter of discontent resulted from an exhausted prime minister being challenged on arrival from a Caribbean summit about "the mounting chaos in the country at the moment". Mr Callaghan replied: "I don't think other people in the world would share the view that there is a crisis" (January 10, 1977).

Many quotations, of course, were never said. Ted Heath's alleged boast of bringing down inflation "at stroke" was in fact taken from a Conservative Research Department press release in June, 1970. Norman Tebbit's actual words in October, 1981 were "He (his unemployed father) didn't riot. He got on his bike and looked for work". No one can find authentic evidence of Mrs Thatcher saying in 1979 or 1980: "There is no alternative", though she did very deliberately tell herself this in October 1980. And, by turning "it doesn't refuting the Russian the 'Iron Lady'", she gave that label currency.

Slips of the tongue can reveal massive incomprehension. h.k. Neville Chamberlain's remark on the eve of the disasters of 1940: "Hitler... has missed the bus" (April, 1940). There was the memorable folly of Sir Eric Geddes, who said: "We will get everything squeezed out of a lemon - and a bit more... I will squeeze her until you can hear the pips squeak." An impetuous response can lead to embarrassment, such as Neil Kinnock's retort to the heckler's "Mrs Thatcher has got guts": "And it's a pity that people had to leave theirs on Goose Green to prove it" (June, 1983).

The extempore riposte that echoes down the years is surprisingly rare. There was Lloyd George's reaction to the description of the House of Lords as the watchdog of the Constitution: "You mean it is Mr Balfour's poodle" (1907). And there was Sir Alec Douglas Home's counter in 1963 to Wilson's gibe about the 14th Earl: "I suppose Mr Wilson, when you come to think of it, is the 14th Earl."

Sometimes an inappropriately comes to a prominent insult simply because it is funny or because it seems the most just. Consider Churchill on Ramsay MacDonald in 1931: "I remember when I was a child being taken to the celebrated Barnum's Circus... the exhibit which I most desired to see was the one described as 'the Boneless Wonder'. My parents judged that the spectacle would be too revolting for my youthful eyes, and I have waited 50 years, to see the Boneless Wonder sitting on the Treasury Bench."

Doris Hensley's description of an attack by Geoffrey Howe (June 14, 1978) as like "being savaged by a dead sheep" has also caught its way into the record.

Indeed the memorable phrases of politics are often neither witticisms nor blunders. They are self-revelations. The public wants to see its top politicians as personalities. It leaps on the utterance that epitomizes the man, Asquith's "Wait and See" (May 4, 1910). Baldwin's "My lips are not yet unsealed" (October 2, 1935) and Wilson's "A week is a long time in politics" (1964) encapsulated much of their premier-ships. And we would not remember the outburst "stark, staring bonkers" (October 12, 1964) if it had not been said by Lord Hailsham.

moreover... Miles Kingston

Autumn leaves, but not for long

anything should happen, we refuse to pay up. What could be easier? Autumn. To the editor of *The Times*, from John Keats. Sir, in this season of mists and mellow fruitfulness, may I draw attention to the pernicious habit of farmers of setting fire to their corn stubble and sending rank clouds of smoke across the countryside? Full many a time have I sat in a wayside field and been near choked to death as I sought to put a finishing touch to a poem. At this rate I shall die of some dread disease before I cough, cough, cough, cough, sorry about that, yours sincerely...

Autumn. And here on BBC/ITV we have a wonderful line-up for you of wonderful new programmes based on the wonderful programmes you enjoyed most last autumn! There's *Last of the Summer Leaves*, and *It Ain't Half Cool in The Evening*, *Mum*, and *News After Dark*, and *The Triumph of The Wasp*, and *Woganberry*, and of course complete coverage of the All England Conker Championships, live as it happens...

Hello. And you join us just in time to see some of the most disgraceful scenes I ever witnessed on the conker field. Conkers are being thrown, pieces of string are being wound carefully round rivals' necks, whole chestnut trees are being uprooted and used as weapons as the crowd invades the pitch. Brian, can you recall scenes like this? No, Brian, I can't but I'm afraid British conkerfing will never be the same again after this display. And now it's back to the studio.

Autumn. Here in the studio Millais is putting the finishing touches to his great masterpiece, "A Few Girls Standing Around in a Corn Field". Or is it Millais? You say Millais, and I say Millais, you say Monet and I say Monet. Millais Monet Mandy. Last night I dreamt I was back at Mandelay, and I thought: what a great idea for a novel! Autumn comes soon to Strow-on-the-Brooks, as thick as thieves in Vallombrosa. If Somerset, can autumn be far behind? Equinox. Wasn't he one of the Crazy Gang?



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LONGBOW OR SHIELD?

In the extracts from his book *The Button* which has been serialized in *The Times* this week, the author Daniel Ford suggests that the nuclear defences of the USA are so vulnerable to a Soviet attack that an administration might be left with little choice of survival in a global emergency other than to fire first. Such an analysis must be one of the strongest factors in favour of the development of the strategic defence initiative. It would relieve the USA from its current position of having to rely only on the threat of retaliation to deter the Soviet Union from firing first.

According to the book the Soviet Union is under no such illusion and has built up a formidable system of nuclear defences already. There are more than 2,000 bunkers capable of protecting 110,000 Soviet military officials and Party leaders. The author goes on to say that Soviet leaders have not yet built a cast iron network of shelters at the centre, but he overlooks the fact - certainly known to NATO - that the Kremlin has for two years been constructing the biggest bunker ever. It involves about 100 miles of tunnelling south of Moscow to a depth of at least 700 metres with a virtually impenetrable control centre at its heart. The whole operation has involved tens of thousands of specially screened workers and has cost billions of pounds. We have not yet heard any details of that during the arms control discussions in Geneva (which resumed yesterday), but the existence of such a network combined with the enormous increase in offensive weapons, leads to a sombre conclusion about Soviet offensive preparations.

Such a defensive network has coincided with an enormous research and development effort

into missile defences. Even this year the Soviet effort dwarfs the equivalent American programme for the strategic defence initiative. And yet Mr Gorbachev has the cynicism to insist that the Americans discontinue their research programme while he presumably hurries on with his.

It was thus reassuring to hear President Reagan state so emphatically again that the SDI is not negotiable during its research and development phase. It is not a bargaining chip at Geneva in exchange for purported reductions in the number of offensive Soviet missiles targeted on Europe. However, come the moment of deployment for any strategic defensive system, the President would then engage the Soviet leadership in discussing the attractive consequences of such a system: massive reductions in offensive missiles.

The President was as clear as he has always been in his fundamental commitment to the philosophy and morality of strategic defence in preference to the fundamental immorality of not searching for a possible alternative to the doctrine of mutual retaliation as the sole means of defence in the nuclear age. It is not as if the world was short of evidence which showed that the Soviet Union is fully engaged in developing strategic nuclear defences. Why therefore is there this pressure on President Reagan to desist from a research programme which would at the very least tell us whether or not the Soviet Union could achieve a break-through in defensive systems and, if so, give us the opportunity to acquire such a system ourselves?

What is quite clear is that the President has been persistently let down by his bureaucracy, mostly, but not exclusively, in the State department. Some

members of the negotiating team at Geneva are also to blame. These officials have been determined to turn the SDI programme into a bargaining chip to be traded if necessary for Soviet proposed reductions in nuclear missiles trained on Europe. They have misrepresented the President all along and even yesterday were referring to his "intransigence" simply because he has once again re-asserted his principled approach to SDI. He should not have to do so if he was served by a bureaucracy interpreting his views correctly rather than, in practice, giving West European allies and the Soviet Union a false impression that SDI would be on the table whatever the President had said. This official subversion in the administration goes deeper, by casting doubts on the technical feasibility of the SDI programme when all the technical achievements of the last two years shows its increasing potential.

Mr Reagan also dealt with the recently successful American test of an anti-satellite weapon system. It is the same story as with SDI, in the sense, as he said, that the United States "were playing catch up". The Soviet Union has completed its testing programme of anti-satellite missiles. Could the West stand by and concede to the Soviet leadership a monopoly in the ability to shoot down satellites when so much depends on them in meteorology, civil and military communications and the ability to monitor major aspects of Soviet arms expansion? The President's difficulty is that great communicator though he may be, his message is clouded by an unorganized and often dissident bureaucracy, and countered by an effective Soviet propaganda machine playing on the latent anti-Americanism of so many educated Europeans.

WHAT'S A SPY AMONG GERMANS?

There is a sharp unintended irony in the West German Social Democrats' loud demands for the resignation of the interior minister, Herr Friedrich Zimmermann, over the latest round in West Germany's most serious spy scandal for a decade. For years they have been denouncing Herr Zimmermann as a dangerous right-winger who would savage civil liberties by ordering extensive police snooping, phone-tapping and the like. Now suddenly they are denouncing him for not ordering somebody's phone to be tapped and mail to be opened. Of course that somebody, a secretary in the Chancellor's office, has in the event proved to be an East German spy. But an observer naive enough to expect fairness in politics might justifiably feel that the opposition could give the interior minister some credit for erring on the side of tolerance - indeed of an almost too delicate regard for the civil liberties of a secretary mole.

That said, there is clearly quite as much base party politics in Chancellor Kohl's evident desire to keep the minister in office, as in the opposition's campaign to hound him out of it. Herr Zimmermann belongs to Herr Franz Josef Strauss's Christian Social Union (CSU) party. Herr Strauss wants his man to stay. Chancellor Kohl is, to put it

mildly, not eager to provoke Herr Strauss. If the interior minister had happened to be of another party - for example, of the Chancellor's own Christian Democratic Union (CDU), then Herr Strauss' would probably have been the first to disown him.

The actual merits of the minister's case are rather finely balanced. If the interior minister had to resign every time a secretary mole was uncovered, West Germany would have had more interior ministers than post-war Italy has had governments. On the other hand, Herr Zimmermann does seem to have been peculiarly lax in ignoring specific warnings given him by his senior officials, and as a result he does appear to have lost the confidence of much of the internal security apparatus.

Perhaps more interesting, and in the long term more important than the domestic political issue which divides the Bonn parties, is the foreign (or half-foreign) issue which unites them. Their leaders have all declared, in loud unanimity, that the steady improvement of relations between the two German states - the consensus *Deutschlandpolitik* - must not be disturbed by the spy scandal. The East German leader, Herr Honecker, is obviously happy to agree. Herr Strauss made this intention plain when

he met Herr Honecker at the Leipzig trade fair at the height of the first round of spy trouble. Now his old arch-opponent, Herr Willy Brandt, (himself of course the victim of an inner-German spy scandal in 1974), is being received with signal honours in East Berlin, and proclaiming his party's keen interest in the further development of *Deutschlandpolitik*. More controversially, he has chosen this occasion to reaffirm the SPD's slippery notion of a "security partnership" between East and West.

Clearly there is a substantial consensus in Bonn behind the view that a degree of East German espionage penetration is an inevitable, though regrettable, concomitant of preserving close ties with the other Germany - a vital national interest. This view is not always so readily accepted in other NATO capitals; particularly in Washington, which must be worried about its latest military technology going East, so to speak, through NATO's front door. The tension between these two priorities is unlikely to diminish. But there is no reason to believe that we cannot preserve a reasonable balance between them; at least so long as the geo-political fantasies of the SPD left or the Greens do not become the policy of a government in Bonn.

THE SCANTABOUT SYNDROME

The parents who have kept their children at Scantabout Primary School (the majority) are more sensible and more charitable than the parents who have kept their children away. Not that anyone should be quick to criticize the latter. It cannot be said that attendance at the school of a haemophilic boy with the Aids virus antibodies present in his blood is totally devoid of risk to the other children. And fear for one's child's safety in respect of the dread disease of Aids does no one discredit. It can however be said with confidence that the risk to the other children is so small as to be acceptable along with innumerable other tiny risks of huge disasters as part of everyday life.

In the first place a positive reading in the HTLV3 antibodies test does not always mean the virus is present. If the virus and infection are present it can be transmitted only by blood and semen transfers as far as is yet known. The latter risk can be presumed to be ruled out on the Scantabout premises. The former can be well guarded against by special investigation such as the education authority is providing.

It is thought that some hundreds of haemophilic schoolchildren in Britain may have been exposed to the virus through contaminated batches of blood-clotting agents imported

from America. Normally medical ethics would require confidentiality concerning the result of Aids antibodies test, and the balance of argument on grounds of public health still endorses confidentiality. If, however, schoolchildren in that position require special supervision for the sake of their classmates, as Hampshire education authority has concluded, then it will not be long before the reason becomes known.

At that point it is essential that the other children and parents are given all the information they need for a rational appreciation of the risks involved. If they are, few of them will panic. That will be for the good of their own children, whose schooling will not be interrupted; for the good of the unlucky haemophilic children, who will not be condemned to segregation from their peers; and for the general benefit of society, in avoidance of the implantation of irrational fears. Aids is bad enough without having its victims ignorantly stigmatized like the lepers of old.

The future of the Public Health Laboratory Service is of direct relevance to the containment of Aids, though it is of much wider importance too. An internal DHSS review has recommended that the centralized organization be broken up and the 52 outlying laboratories transferred to health authorities.

Significant, though unspecified, savings in the PHLS's £37 million running costs are claimed for the reorganization. It was an administrators' review. The two medical advisers, who warned against dismemberment, observe that if any detailed analysis was made of the cost-effectiveness of the present and proposed systems, the findings do not appear in the report.

From the outside the claim of significant savings looks improbable. To be effective a nationwide system of diagnostic virology and epidemiological surveillance of communicable diseases must operate in a way that is highly standardized and capable of rapid response. Has the cost been counted of building into a collection of over fifty separated units characteristics inherent in the unified system it would replace? And have the external costs of a probably less efficient diagnostic, reporting and initiating system been counted? The Public Health Laboratory Service is held in high professional regard here and abroad. Its contribution over more than forty years to the control of such diseases as tuberculosis, diphtheria, typhoid, scarlet fever and poliomyelitis is on the face of the record. No doubt it could be run to better advantage with keener cost-consciousness. The DHSS review has much to contribute in that way. But its strategic proposal of administrative dismemberment is misconceived.

Fear of pensions

repercussion

From the Secretary of the Institute of Chartered Secretaries and Administrators

Sir, The Institute of Chartered Secretaries and Administrators, whose members administer many pension funds and are to be found everywhere in the pensions industry, strongly support the views expressed by the Prudential Corporation (Finance and Industry editorials, September 14 and 17).

The institute continues to express its clear disagreement with the proposal to abolish Serps (State earnings-related pensions scheme) and the proposals for "personal pensions". Serps benefits could be modified. The case for abolition has not been made out. Existing final salary pension schemes will be damaged by the new proposals.

The effect will be to equalise pensions at a lower level; but the difference between one person with pension expectations based on minimal 4 per cent joint contributions and another who belongs to a good quality final salary scheme will probably be greater than that between one person with Serps entitlements and another in contracted out employment. Indeed it is difficult to see who benefits from the pension proposals apart from the marginal leavers.

The fact of an increased incidence of poverty amongst the elderly will produce pressure on the State to intervene to top up inadequate personal pensions - a regressive outcome.

Above all, as an institute whose principal purpose is the promotion of administrative efficiency, we are seriously concerned that the shift in responsibility for pension provision from the State to employers and individuals will result in sharp and significant increases in administrative cost. It is ironic that in the same month we are being asked to comment on the Government's proposals for reducing the "burden on business".

Yours faithfully,
B. BARKER, Secretary,
The Institute of Chartered Secretaries and Administrators,
16 Park Crescent W1,
September 18.

From the Director General of the British Institute of Management

Sir, You mention (Finance and Industry, September 17) that Norman Fowler's Green Paper proposals are likely to generate a flood of pension schemes contracting back into Serps and suggest that this will cause headaches for the Government.

The British Institute of Management has been advised that many companies will not only contract back, but will also buy back the guaranteed minimum pension, which would result in a very substantial immediate increase in Government income, with no immediate increase in outgoings.

While a short-term boost to public funds running into billions may appear attractive to a Government with an election in sight, this would greatly increase the cost of phasing-out Serps in the longer term.

Once again this Government may be in danger of feeling misadvised as it throws pensions into the political arena.

Yours faithfully,
JOHN CONSTABLE,
Director General,
British Institute of Management,
Management House,
Parker Street, WC2,
September 17.

737 air disaster

From Mr Richard Wakeford

Sir, A disturbing aspect of the Boeing fire at Manchester Airport was the apparent lack of any visual record of this, something which would presumably have been of great value to the accident inspectors.

As the vast majority of aircraft accidents take place either on take-off or on landing, would it not be appropriate to the Civil Aviation Authority to require all major airports to have a video camera and recorder pointed at the main runways during operational hours?

Yours faithfully,
RICHARD WAKEFORD,
Cambridge University School of Clinical Medicine,
The Clinical School,
Addenbrooke's Hospital,
Hills Road, Cambridge,
September 17.

Tibet and China

From the Ambassador of the People's Republic of China

Sir, After reading the two interviews about Tibet as published in *The Times* on August 19 and 20, I feel it necessary to set forth some facts about Tibet in the past and present.

1. Tibet is part of China's territory, a fact known in the long development of history. During the Tang dynasty in the seventh century AD there was a great development of friendly contacts between the Hans and the Tibetans. In the Yuan dynasty, Tibet's unification with the fatherland became further consolidated. In the Qing dynasty, the political and religious systems in Tibet were all regulated by the then central government.

In the years to follow, notwithstanding the numerous changes of the central government or of the local governments in Tibet and despite the insurrections, disruptions and interferences by external forces, nothing could alter the fact that Tibet is an integral part of China.

In 1951, after the signing of the 17-article Agreement on Measures for the Peaceful Liberation of Tibet in Beijing, the local government of Tibet and the Dalai Lama sent messages to the Central People's Government and Chairman Mao to

Procedures on a hung Parliament

From Dr Geoffrey Marshall, FBA

Sir, I doubt that "the best authorities", or any others, agree that "if Labour emerged as the largest party without an overall majority... the Queen would send for Mr Kinnoch" (*The Times*, September 18).

The Queen does not necessarily have to send for anyone as the immediate result of an election, as Mr Harold Wilson pointed out in 1974.

There were suggestions in March, 1974, that as Labour had more seats than any other party, though not a plurality in the Commons, the Sovereign should have sent at once for the Labour leader. This is not so. A Government was in existence and until it resigns... the Palace can only observe the classical doctrine, "We have a Government" (*Final Term*, p. 11).

If Parliament is truly hung there will be no obligation on the present Government to resign until defeated in the House. There will thus be time for Messrs Owen, Steel and Thatcher to decide whether they can agree on a programme and sustain a government.

If they cannot, then at that point (as in Mr Edward Heath's case in March, 1974) the Prime Minister will resign or carry on until defeated. Mr Kinnoch, or whoever is the leader of the largest alternative party, would then be sent for.

If he in turn could not find a majority to support his programme he would not be entitled to dissolve, but there would probably be no practical alternative to dissolution and a further election. So the Queen and her advisers are right to lose no sleep, even if some politicians seem to be losing theirs.

Yours faithfully,
GEOFFREY MARSHALL,
The Queen's College, Oxford,
September 18.

From Sir James Cable

Sir, Mr Steel is not altogether correct in believing (your issue, September 18) that the royal prerogative of refusing a dissolution has not been exercised in Britain for more than 100 years.

On December 5, 1916, Asquith, the Liberal Prime Minister, resigned. King George V invited

Bonar Law, leader of the Unionist Party, to form a government. When Bonar Law sought to make his acceptance conditional on the granting of a dissolution, the King refused.

By December 7 Lloyd George had recruited enough support to form a coalition government, which won an election two years later.

It may be argued that the circumstances were exceptional because there was a war on, but the British Constitution is little more than a collection of exceptional precedents.

Yours faithfully,
JAMES CABLE,
8 Essex Close, Cambridge,
September 18.

From Mr Dominic Grieve

Sir, I disagree with the reasoning of Mr Allott in his letter to you of today (September 18).

His anxiety, if I understand him correctly, is that our constitutional convention dictates that the Queen has the duty to act on the advice of her ministers. She should not be seen to be acting without advice in her choice of a prime minister in the event of a hung Parliament.

Surely the more important convention is that Her Majesty's Government and ministers appointed by the Queen must enjoy the confidence of a majority in the House of Commons in order to hold office. It follows that the Queen's room for choice is already circumscribed by the will of the Commons, her powers and duties in this regard inextricably mixed.

To appoint a surrogate broker in the form of a Speaker or some other member of the "great and the good" seems therefore to be a useless irrelevancy. Furthermore, it introduces the idea of a cabal of political leaders interfering in the direct relations between the Commons and their sovereign.

I am, Sir, your obedient servant,
DOMINIC GRIEVE,
Harcourt Buildings,
Temple, EC4,
September 18.

Diet and heart disease

From Dr G. H. Fowler

Sir, Drs Kidner and MacNair (September 12) emphasise the important distinction between relating blood fat-cholesterol and dietary fat to coronary heart disease. But to state that "The recommendation to alter our national diet is based on an unproven hypothesis which may be totally wrong" is dangerously complacent.

While - as in most fields of medical knowledge - evidence falls short of absolute proof, there is substantial national and international expert consensus that "Western" high-fat, low-fibre diets contribute to coronary heart disease (and other ailments). Continuing failure to acknowledge and act on this contributes to this country's heading the international league table of premature coronary heart disease deaths.

Debate about the relative virtue of identifying and helping "high-risk" individuals rather than general population is misplaced. The two approaches are essentially complementary.

Victim repatriation

From the Dean of York

Sir, Your Home Affairs Correspondent, Peter Evans, reports (September 17) good news about repatriation for some victims of crime. No doubt the rehabilitation of some offenders will be helped. The four schemes which the Government are funding are steps in the right direction and show a significant concern.

Unfortunately, a large number of victims will remain unaided because a high proportion of crime remains unsolved. Mr David Mellor says: "We have supported the burgeoning victim-support movement. But we want to do more."

Perhaps he will now look to see how the support of which he speaks can be made rather more effective than it is at present. The needs of a much larger number of victims would be met this way at little extra cost. Their problems are underserved and their needs immediate.

Yours sincerely,
JOHN SOUTHGATE,
The Deanery,
York,
September 17.

In carrying out both of these - screening the population to identify those with high levels of "risk factors" and educating the population at large - the "mobile screening clinics" referred to by Drs Kidner and MacNair do not compare in potential, feasibility, acceptability or effectiveness with "screening" in general practice.

Almost a million people, daily cross the thresholds of surgeries and health centres in this country. Research has shown that an approach using the opportunity of these contacts and involving nurses may be very appropriate for preventive medicine and health promotion.

It is feasible, practicable, relatively cheap and, most importantly, acceptable to patients - especially those likely to be at risk and least likely to attend special screening clinics.

Yours,
GODFREY FOWLER,
University of Oxford,
Department of Community Medicine and General Practice,
Radcliffe Infirmary, Oxford,
September 13.

Tonto to the rescue?

From Dr Mark Davis and others

Sir, British Telecom have recently introduced a combined business computer and "intelligent terminal" called Tonto. We cannot help wondering why it was given this distinctly foreign name rather than some homey, need-hatched, half-timbered name like Derwent or Westwater, similar to the names of those user-friendly computers on BT's Prestel network.

Tonto was, of course, the Lone Ranger's faithful sidekick, and this may be what BT had in mind. But foreign it is, and turning to the Larousse Spanish dictionary we find the following definition:

Tonto adj. foolish, stupid, dumb, idiotic.

— m. y. f. fool, dolt, idiot. *¿Que tonto!* what a fool!

We hope that shareholders will find this reassuring.

Yours faithfully,
MARK DAVIS,
E. N. SMITH,
D. A. PUGHMIRE,
Department of Electrical Engineering,
Imperial College of Science and Technology,
Exhibition Road, SW7,
September 16.

ON THIS DAY

SEPTEMBER 20 1871

The Society of St Tammany was formed in 1789 - its officers were given Indian titles - sachem, etc. The name grew to be applied to the Democratic party structure in New York.

Corruption reached a climax under grand sachem William M. Tweed who practically controlled New York State. In 1873 he escaped from jail, fled to Spain, from where he was extradited in 1878, and died in jail in 1878.

[CORRUPTION IN NEW YORK]

There seems at length some hope that the citizens of New York will make a vigorous effort to purge their Municipal Administration from the corruption by which it is now rendered infamous. In consequence of the exposure by the *New York Times* a meeting was held on the 4th of this month, in the Cooper Institute, which seems to have been one of the largest ever assembled in the city... It is described as most indignant and enthusiastic: a reporter declares in the *New York Times*, that if Messrs. HALL, CONOLLY, SWENNY, and TWEED could have heard the curses, hisses, and denunciations which were heaped on them by the audience and the speakers they must have been crushed on the spot... The officials of New York are accused of the most wholesale and barefaced robbery. They have taxed the City and mortgaged its property for the payment of accounts which, as was justly said at the meeting, "are not merely monstrous; they are manifestly 'fabulous'."

They pretend, for instance, to have paid to one firm the sum of more than five million dollars, or more than a million pounds, "for chairs, carpets, etc." for the municipal buildings, and they put down a sum of £70,000 for planning and repairing. Under their administration the debt of the City has increased since 1869 from six millions to twenty millions, while the revenue is more than four millions a year. In consequence, as was stated at the meeting, the burdens of local taxation are grossly oppressive to all classes in New York, and are damaging the prosperity of the City, while the men who are responsible for this fabulous expenditure have sprung into sudden wealth and are living in extravagant luxury... The question is extended almost inextricably with party politics. Tammany Hall is the centre of the Democratic interest of New York, and to overthrow its power would be to sacrifice a potent instrument of Democratic supremacy. One of the most moderate and sensible speakers at the meeting of the 4th says his audience "must be aware of the fact 'that Democrats, who thoroughly 'despise corruption, still hesitate, from what I believe to be a too narrow view of party discipline, to vote heavily in a movement for the punishment and 'prevention of fraud.' This is indicated by the care taken by most of the speakers to vindicate themselves from the imputation of party motives. Many of the Democrats, indeed, perceive that this dishonest hesitation must in the end be injurious to their party; but the 'chains of party discipline are strong in America, and it seems almost impossible to emancipate the mass of citizens from the dictation of their leaders. Moreover, it is severely doubted, even by a prominent Democratic speaker at the meeting, whether the honest citizens have the means of making their voices heard. As the Democrats are in power, they appoint a majority of the election officers, and by judicious bribes they can silence the few Republican officials who are supposed to protect the interests of the other party. The consequence is that the elections are systematically vitiated by the wholesale employment of fraud - the notorious methods of 'dodge' - 'the ringing dode,' and 'false counting.' Gangs of 'repeaters' are organized, 'whose first duty it is to 'have their names recorded in as many 'districts' as possible, usually from a 'dodge' to five." The result is that the polls in gangs, with their captains, and when their own votes have been fully recorded they take on them to represent the respectable citizens who abstain from voting. Ringing the bells, the 'repeaters' are told, 'is a very 'beautiful operation, and is described 'by those who have tried it to be 'nearly perfect.' It is now 'the 'favourite plan; it is simple, inexpensive, and effective.' It consists in a single slight-of-hand, by which, when a Republican comes with his ticket, the inspector quietly drops it on the floor and substitutes another of the right colour. False counting is generally done 'by transferring the figures bodily.' It also is 'an exquisitely simple process,' but in practice it is said to work badly. It is capable, however, of variations which render it a useful alternative. The Democratic party leaders, supported by such devices as these, have practically the command of the constituency of New York, and more than one speaker appeared not a little doubtful how far this tyranny could be shaken off...

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DOMINIC GRIEVE,
Harcourt Buildings,
Temple, EC4,
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Department of Electrical Engineering,
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In 1951, after the signing of the 17-article Agreement on Measures for the Peaceful Liberation of Tibet in Beijing, the local government of Tibet and the Dalai Lama sent messages to the Central People's Government and Chairman Mao to

Out of school

From Sir Frederick Mason

Sir, Your correspondent, Mr Larkman today (September 18) hits one nail squarely on the head about clock-tatching by teachers.

When I was preparing for Cambridge in 1932 my then Headmaster (F. R. Dale, of the City of London School) offered to coach me in my deficient Latin and did so at his home on Saturday mornings for a whole term, over a cup of cocoa. There was no "rule book", of course, and no way of rewarding him.

I am sure that there must be many others among your readers who have reason to be grateful for what their teachers assumed to be just a part of their normal duties.

Yours faithfully,
FREDERICK MASON,
The Forge, Ropley, Hampshire

Blushing unseen

From Mr Michael Northey

Sir, I told my class today, who, asked, that I have four A levels, and an Oxford degree. They said: "Cor, then who are you only a teacher?"

THE ARTS

Television
The key to detection

There is no doubt that *Rough Justice* (BBC1) serves both a private and a public purpose — a private one for those whose convictions are cast in doubt by its investigations, and a public one in the sense that it reveals the incompetence of the police or the dilatoriness of the Home Office in the process. It has become a more popular version of the Ombudsman.

Last night's programme concerned the unhappy history of Anthony Steel, a young man convicted and imprisoned for murder. The evidence for which seems to have consisted of a confession, retracted almost at once, and of a key ring in the shape of a fish. It seems odd that the fate of a man can be decided by such factors, but what was equally extraordinary (although apparently quite common) was the way in which the anxieties of Steel under police questioning prompted him to declare himself guilty.

The programme was called "The Case of the False Fish", a title reminiscent of the more orthodox forms of crime fiction

and one which suggested that, although the programme does indeed perform a public service, those who watch it probably do not do so out of a sense of social responsibility. I suspect it is popular for precisely the same reasons that *Holmes* or any other detective-series is popular: here, also, the excitement of a violent crime is combined with the thrill of detection.

Like those who read biographies rather than novels on the puritanical grounds that they can be informed at the same time as they are entertained, those who watch *Rough Justice* can also claim to be enlightened and even aroused to indignation as they also witness the unfolding of plot and character. There is nothing wrong with this, of course, and in any case dramatic narrative and factual content are often aligned in this way. Those later freed on the evidence (and Anthony Steel's conviction looked remarkably thin) have extra reason to be grateful.

Peter Ackroyd

Theatre
Bleak and bitter comedy

The Lemmings Are Coming

Watermans Arts Centre, Brentford

Built on a derelict gasworks site off Brentford High Street, the Watermans Arts Centre turns out to be a luxurious and welcoming address rivaling the Riverside Studios as a multi-activity powerhouse, and — with its long Thames-side prospect of the wildlife sanctuary of Brentford Ait — the most idyllically-located performance space in London.

To round off its first year's operations, the centre is presenting its first in-house show. A remarkable production by the resident director, John Baraldi, it is drawn from his previous experience of working with the jobsite young in Glasgow, which led variously to the Bill Forsyth films and to the formation of an unemployed youth theatre company. On *Yer Bike* which now reaches London with one of the original cast and three of the actors from *Gregory's Girl* and *That Sinking Feeling*.

The Lemmings Are Coming tells the tale of a group of young Glaswegians who quit the Scottish dole queues to try their luck in London. Crammed into a Battersea flat, they are just about making ends meet as hospital porters and ticket punchers while nourishing

dreams of escape. By common agreement, their living room is to be vacated for anyone who comes home with a girl, but after two years no one has yet claimed this right.

The plot hinges on the arrival of a newcomer, Billy (John Langford), a middle-class LSE student who replenishes the dried-up kitty with weekly handouts from his father; and then enacts his own dream by going into punk black leather and dropping out of college.

This act of self-indulgence is the theme of one of Paul Higgins's increasingly bitter, scathing satirical songs as it gradually dawns on the boys that all they have done is to have formed a Scottish ghetto, and that they are still going nowhere.

Utterly bleak in what it has to say, the piece is saturated in Glasgow wit and extremely funny. It builds comic patterns from daily habits and group routines (as when the boys go into a chorus of "Black Eyes" at every mention of Gypsy Creams), and shows them getting fun out of each other's weak points.

In its power to dig up comedy from raw experience and present characters so truthful that they can act against their own grain, this is a worthy companion piece to the Forsyth films, and yields performances of matching quality from John Gordon-Sinclair and Robert Buchanan.

Irving Wardle

Witchcraze

Battersea Arts Centre

The ideologues of latter-day feminism have long since taken the historical victims of witch-hunting to their collective bosom, seeing in their unhappy fate the most egregious example of institutionalised misogyny. There is much to be said in favour of this view; and there is plenty of evidence that those victims who really did meddle with herbs and familiars represented the survival of a primordial matriarchal religion.

The great problem in all this is that the modern writers who proselytize on the subject seem incapable of coherence, let alone of persuasive power. Perhaps, as with many worthy themes, the facts speak too plainly for themselves. Bryony Lavery's new play for the Women's Theatre Group jumps into a quagmire of cliché with such blitheness that the suspicion of self-parody is never entirely dispelled.

An oddly androgynous figure in a face mask (Stephanie Pugsley) buttonholes the audience in the tones of a *Listen*

With *Mother* announcer, and having delivered some pretty standard feminist graffiti slogans, introduces her conspirators in the evening's charades (Eileen George and Diane-Louise Jordan).

The reworking of cultural history which follows is unenriching, largely uninformative and staggeringly naive. God comes in for a bad press and so too does the profit motive while the male sex consists entirely of fools and villains. We learn (again) that the flying sensations reported by witches may be attributed to their abuse of acornite and belladonna. We are subjected to a ponderous, life-size Punch and Judy show in which Master Punch, delivered by the dragon-midwife, is borne away by his doing Dad to be indoctrinated in the principles of greed and woman-hating.

Finally, we get round to the litany of complaints about witch-hunting, and to the last tableau where the three players behind their besoms bind their backs to form the stakes and brushwood of their execution — perhaps the nearest touch in Nona Sheppard's production.

Martin Cropper

The Official Version (15)

Curzon, West End

Queen Kelly (PG)

Everyman Hampstead

Code of Silence (18)

Classics Haymarket, Oxford Street

The Holcroft

Covenant (15)

Cinecenta Pantton

Street, ABC Edgware Road

The Official Version (La Historia Oficial), which was shown at this year's Cannes Festival (its star, Norma Aleandro, shared the Best Actress award with Cher) appears to be the first Argentine film to achieve commercial distribution in this country for at least a quarter of a century. The film affirms the post-Malvinas spirit: the catastrophe of the Anglo-Argentine conflict resulted in a new self-awareness and critical reevaluation of the years that had gone before, with all the tyrannies and the bad consciences.

Luis Puenzo's previous career, as a director of commercials and a couple of unremarkable features, gave little promise of the power and accomplishment of this film, which he co-wrote with Aida Bortnik. It deals with the painful subject of the "desaparecidos" — the people who disappeared without trace in the bad years — but approaches the issue through the experiences of a couple who are to all outward appearance quite uninvolved. Roberto and Alicia (Hector Alterio and Norma Aleandro) are a nice, ordinary, well-to-do middle class couple, serenely contented with their marriage, their home, their friends and their beautiful adopted daughter.

For Alicia, a teacher of history, the first shadow of doubt comes when her young students question the "official version". "History" one of them tells her, "is written by the murderers". A friend returning from exile opens her eyes still wider to the realities of the recent dictatorship. Alicia begins to question her husband's account of where he found their adopted daughter: is she perhaps the child of *desaparecidos*? The surmise becomes certainty when Alicia seeks out the child's grandmother. Painfully she recognises her own passive complicity, and learns of her husband's direct involvement in the shameful past.

With an intelligent script, Puenzo's confident direction, and outstanding performances,

The Official Version delivers its political message without ever allowing the touching, human story to turn into tractarian schematics. There is even a possibility still to pity Roberto after the lies of his past are exposed. Yet while Puenzo stays true to his small, personal story, his film has much wider application, speaking of the perils that face the ordinary, well-meaning people in every society, who through ignorance and acceptance passively condone and promote the misdeeds of their leaders.

Piece by piece the classic canon of the cinema is being restored. The latest masterpiece to be put to rights, as near as may be, is *Queen Kelly*. The production began in 1927 when Gloria

Swanson's adoring patron Joseph Kennedy (father of the Kennedy clan) commissioned Erich von Stroheim to direct the star in a scenario of Stroheim's own devising, originally entitled *The Swamp*.

Swanson played Kitty Kelly, a convent girl living in a small German kingdom, who attracts the attention of the libertine Prince Wolfram. The affair angers the despotic Queen Regina, who intends Wolfram for her consort. After attempting suicide, Kelly is called to the side of her dying aunt in German East Africa, where she inherits Auntie's brothel, along with the hand of a hideous but rich old degenerate.

Farraginous as it may sound, such of the film as was completed confirms Stroheim's ability to give conviction and

integrity to the most extravagant incident, simply by his documentary detailing of setting, costume and above all human behaviour, even when seen at its most neurotic and depraved.

The film was destined however, like other Stroheim projects before it, never to be finished. After three months Swanson dismissed Stroheim, and herself directed a suicide scene to make the first episode (before Kelly's trip to Africa) complete in itself. The film was released like this, with an effective musical score (which is used in the new version). Stroheim's career as a director was virtually at an end.

In recent years edited sequences from the African brothel scenes have come to light in the Swanson archives.

along with stills, scripts, titles and notes to indicate Stroheim's intentions. This fragmentary evidence has now been edited together by Dennis Doros to provide the most complete version of *Queen Kelly* we are ever likely to see.

Much of the film is printed from the original negatives and is as fresh and luminous as if it were newly shot. This gives an extraordinary, time-machine immediacy to Stroheim's bizarre inventions. Although familiar from existing versions of the film, the famous scenes are still startling: the decadent Queen rising from her bed, clad only in a loose robe and a fluffly white cat; or enthusiastically horse-whipping the cringing Swanson. Among the new scenes, the most bizarre is the marriage of Kelly at the death-bed of her Aunt, with a black priest simultaneously performing the marriage ceremony and the last rites.

Code of Silence brings a new element of fantasy to a conventional lone-wolf cop story. Chuck Morris is the hero, single-handedly annihilating two warring Mafia gangs. Apart from the Mafia he has the Chicago police force to contend with, actively uncooperative because of his refusal to connive in the code of silence that protects a dangerously incompetent comrade.

The script and Andy Davis's direction maintain a hectic pace. Norris is a sympathetic ordinary kind of hero, and Henry Silva provides a chilling comic-book villain.

It is a shock to find John Frankenheimer, who in his better days made thrillers as effective as *The Manchurian Candidate* and *Seven Days in May*, as director of such a second-hand, second-rate piece as *The Holcroft Covenant*. It is worse to discover that the script, which would have disgraced a forties B-picture, and is the principal undoing of the present film, is credited to George Axelrod, in collaboration with Edward Anhalt and John Hopkins.

David Robinson

The bass Paata Burchuladze gives his first London recital tonight. He is, John Higgins reckons, one of the best exports so far from Georgia (USSR, not US)

The passionate provincial

It was Herbert von Karajan earlier in the year on this page who described Paata Burchuladze "the second Chaliapin". The occasion was a Deutsche Grammophon recording of *Don Giovanni* in which the young Georgian bass sings the Commendatore. Since then a number of people have agreed with Karajan and Burchuladze had become the bass the Western opera houses seem keenest to sign for the seasons ahead.

This week he has been in London for a Verdi Requiem at the Royal Festival Hall with Tennstedt and the LSO, for a Wigmore Hall recital tonight and for a recording of Verdi's *La forza del destino* (also DG), conducted by Giuseppe Sinopoli. Over the next few days his first recital disc is due out: when Burchuladze's name began to be known Decca stepped in quickly and signed him for extracts from *Boris* and four Verdi arias (CD Decca 414 335 2).

Burchuladze's ascent up the Western operatic ladder has taken little more than a year to achieve. His first major engagement outside Russia was at Covent Garden in the new production of *Aida* at the end of last summer. Practically everything about that opening night was a disaster, apart from Burchuladze's malevolent and chocolate consumed in his London flat. Legend has it that Jason and his Argonauts visited Georgia. Rather more recently it has given us Mikoyan, the Rustaveli Theatre Company and Burchuladze.

His career began when he was one of the four or five Russian singers who are chosen each year for training at the La Scala, Milan; the reciprocal part of the deal is that an equal number of Italian dancers go off to the Bolshoi Ballet. The arrangement has now been running for almost a quarter of a century. That was in 1978 and three years later he won second prize, no first was given, at the annual Verdi Competition at Busseto singing, of course, five Verdi arias. Then came the Tchaikovsky Competition in Moscow and rather fewer Verdi arias, but Burchuladze did try on the jury "I've got plenty of nuttin'" from *Porgy and Bess* which has become something of a favourite number and is a very likely encore at the Wigmore Hall tonight.

Has he sung *Porgy* on stage? "No. Just extracts when I was a student in Tiflis. The role lies too high for me. But we do have the ballet of *Porgy* in the repertoire at Tiflis choros, raphed by Lavrovsky. He is not



Paata Burchuladze

what he calls "my youth" and that hunting is his favoured recreation. He is passionate about Georgia, the province of Russia where he was born and grew up, and all things Georgian, right down to his cigarettes and chocolates consumed in his London flat. Legend has it that Jason and his Argonauts visited Georgia. Rather more recently it has given us Mikoyan, the Rustaveli Theatre Company and Burchuladze.

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Georgian, but he is married to one." Smile. Clearly the Georgian brotherhood is as close-knit as the Hungarian one. The Tiflis Opera did carry with it one major advantage as far as Burchuladze was concerned: all operas there are performed in the original language. "I think the only other opera house in Russia where this rule applies is in Tallin [Estonia]. Georgians have to be linguists and everyone in the opera company is expected to be fluent in four or five languages. I find it quite natural to go stage and sing in succession Boris in Russian, Leporello in Italian, *Salome* in German and of course our own operas in Georgian."

It is unlikely that Western audiences will be hearing Burchuladze in much Georgian opera in the future, but he does go to La Scala for *I Lombardi* and *Nabucco*, to Vienna for *Lurra Miller*, back to Covent Garden in 1987 for Don Basilio (*Barbiere*). The roles of Fiesco (*Simon Boccanegra*) and Phillip II (*Don Carlos*) are also being prepared. At that rate by the time Burchuladze reaches the ripe old age of 35 there will not be much new left to sing. What then?

"To sing everything better and more and more beautifully. And perhaps one day Don Giovanni. After Leporello and the Commendatore I would like to be Giovanni, perhaps in the way Siepi performed him. He was always the best."

CBSO/Rattle

Barbican

Bartok's orchestrated version of his Sonata for Two Pianos and Percussion has had a bad press, usually being disparaged as a tuppence-coloured popularization of the original. Last night, though, Simon Rattle and the City of Birmingham Symphony Orchestra made the instrumentation pull its weight, throwing beams of new light through the score and making one realize how the harmony relates back two decades to that of *The Miraculous Mandarin*. If the piece still failed to achieve its potential, the fault lay more with the soloists: the Labèque sisters, Jean-Pierre Drouot and Sylvio Gualda.

Katia Labèque has a way of behaving as if discharges of 20,000 volts were being passed through her piano stool at odd intervals, which certainly looks right for Bartok's rhythm, but here was not accompanied by a comparable musical excitement. The sisters were far from perfect in ensemble, and the percussionists had not learned to play the hall. With all its wood cladding, the Barbican is practically a giant xylophone itself, and in the finale it bounced back Mr Drouot's solo rather too vociferously. One hopes these problems will be lessened by the time of tomorrow's repeat performance in Birmingham, which is to be broadcast.

No doubt there will also be some development in the account of Elgar's Second Symphony, which sounded very much like an outstanding performance in the making. Rattle comes to Elgar by way of Rachmaninov, Sibelius and Mahler, and the result is something not unlike the way Elgar came to Elgar. I am not sure if Rattle's preparations have included studying the composer's own recording, but he attained in the first movement a very similar wild exhilaration, straining at the leash, set going by an upbeat of enormous strength.

It was also good to hear so much orchestral detail: horns swooping up as if this were Richard Strauss, and a magical quiet section in the opening movement, out of which the main theme was conjured with marvellous sleight of hand. Other things were less right, particularly the riot of percussion in the slow movement, and some of the irregular phrasing in the scherzo went awry. But at least this was Elgar without dead nobility.

Paul Griffiths

LPO / Tennstedt

Royal Festival Hall

Not for Klaus Tennstedt the flickering flames of Verdi's hellfire when he conducted the *Requiem* to launch the London Philharmonic Orchestra's new South Bank season last night.

Concerts

Wild exhilaration in orchestration

Instead he preferred to generate a slow, staid incandescence of spirit and feeling, sometimes quite beautiful in the orchestra's response, particularly in the softer passages and the dying embers at the ends of movements, and suggesting more of the solemn ritual within them.

At times it extended his solo singers, as when Julia Varady became a touch tentative at some of her soprano entries before calling on her innate musicianship for support, and eventually reaching a secure and affecting account of "Libera me" at the end. Waltraud Meier was consistently heart-warming in the velvet quality of her mezzo tone (now I should like to hear her sing the Angel in *Gerontius*) even though she was inclined to break up the phrasing at times.

David Rendall was a late replacement for the tenor Piero Visconti, who was apparently overcommitted elsewhere, and after some initial wariness showed a model understanding of Verdian line, especially at "Hostias, or preces tibi". The suitably awestruck entry of Paata Burchuladze at "mors stupebit" heralded a Georgian bass of copper-toned resonance whose "cor contritum" was no less effective in seeking its redemption through the sonority of his vocal character.

The London Philharmonic Choir was for the most part alert in its response and internally well balanced between the vocal registers. It achieved a welcome buoyancy in the *Sanctus* fugue for double chorus as well as vigour in the *Dies Irae*, yet there were moments towards the end when the verbal spirit of prayer was lost in the fashioning of notes and phrases. The dead language of Latin needs all the more the live conviction of its sentiment if it is to achieve Verdi's purpose.

Noël Goodwin

Redcliffe Concerts

Purcell Room

The Redcliffe Concerts are celebrating their twenty-first birthday. It is claimed, with a series devoted to composers of the Tippet generation. Congratulations, but that is not so. The first concert of the four (and it is typical) included music by only one composer who could lay claim to being Tippet's contemporary, and that was Constant Lambert, represented here by his brilliant, but not entirely superficial, Piano Sonata of 1927, which Nicola Meehan gave with sweeping confidence.

Otherwise everything was by younger composers, though to tell the truth they did not always sound so. By far the most powerful and adventurous work in the recital was Tippet's own *The Heart's Assurance*, composed in 1951 in the aftermath of a friend's suicide

and of the war to which Tippet was so ardently opposed. Tippet knows what he has to say and how to say it, forging his ornate coloratura lines and jagged rhythms to suit perfectly his expressive purpose. Margaret Field and Sally Mays responded skilfully to its considerable demands, though sometimes Miss Field's higher register and lower dynamics were suspect.

Born from no less a conviction is Anthony Milner's triptych *Our Lady's Hours* (1957), but here Milner is not seeking new truths so much as reiterating what he sees as old ones, as is made clear in the refrain ("This is the faith that I have held and hold...") of the third song, *Bellac's* "Ballad to our Lady of Czestochawa". Consequently, innovation is unnecessary. Milner's lyrical gifts and firmly rooted tonalities are enough.

The two newer works were just as conservative, though I thought considerably less effective. Judith Weir's *Sketches from a bagpiper's album* for clarinet (Nicholas Cox) and piano had a deceptively jaunty air considering it told the sad tale of the execution of one of Bonnie Prince Charlie's bagpipers, whose instrument was deemed to be a weapon. Perhaps, though, there is something funny about that. And Stephen Dodgson's *Gipsy Songs* (1976), though obviously workmanlike and sincere, were really not very much more.

Stephen Pettitt

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AIR FREIGHT/I
By Arthur Reed

(SPECIAL REPORT)

Tonnes of trade on the airlines

Chairmen and senior executives of the world airline industry gathered in Hamburg at the end of next month for the annual meeting of the International Air Transport Association (IATA) will be cheered by the fact that the air freight sector of their business, although down on its performance of 1984, continues to do well.

On the key North Atlantic route during the first six months of this year, IATA airlines carried 574,000 tonnes on scheduled and charter services, 3.8 per cent up on the same period of 1984. Freight carried on passenger flights was up 1 per cent while that on all-cargo flights rose 9 per cent. West-bound carryings were up 7.5 per cent to 333,000 tonnes; east-bound, the total was down 1 per cent at 240,000 tonnes.

The trend in Europe was similarly encouraging. The 20 member airlines of the Association of European Airlines carried 4.3 per cent more freight than in the first half of 1984.

These figures, and especially those on the North Atlantic, are greatly down on those for the whole of 1984 when, with the world economic recession just over and with weak European currencies (especially the dollar) against the dollar encouraging westbound flows of exports, airlines experienced phenomenal freight growth - in some cases as much as 30 per cent on the previous year.

Since then, the pound and the other currencies have made recoveries, while the airline industry has inevitably over-reacted to a situation where capacity was at a premium - and where rates were therefore high - by pouring in too much.

The appearance on the North Atlantic of relatively new operators out to maximize the cargo space in the underfloor holds of their wide-bodied airliners, such as People Express and Virgin Atlantic, and specialist forwarders operating their own aircraft, such as Federal Express (there were 47 different airlines flying between Europe and North America in June this year) has added to the softness of a market where, this time last year, shippers and

forwarders were queuing up to have their goods flown and, in some cases, having to wait several days for the privilege.

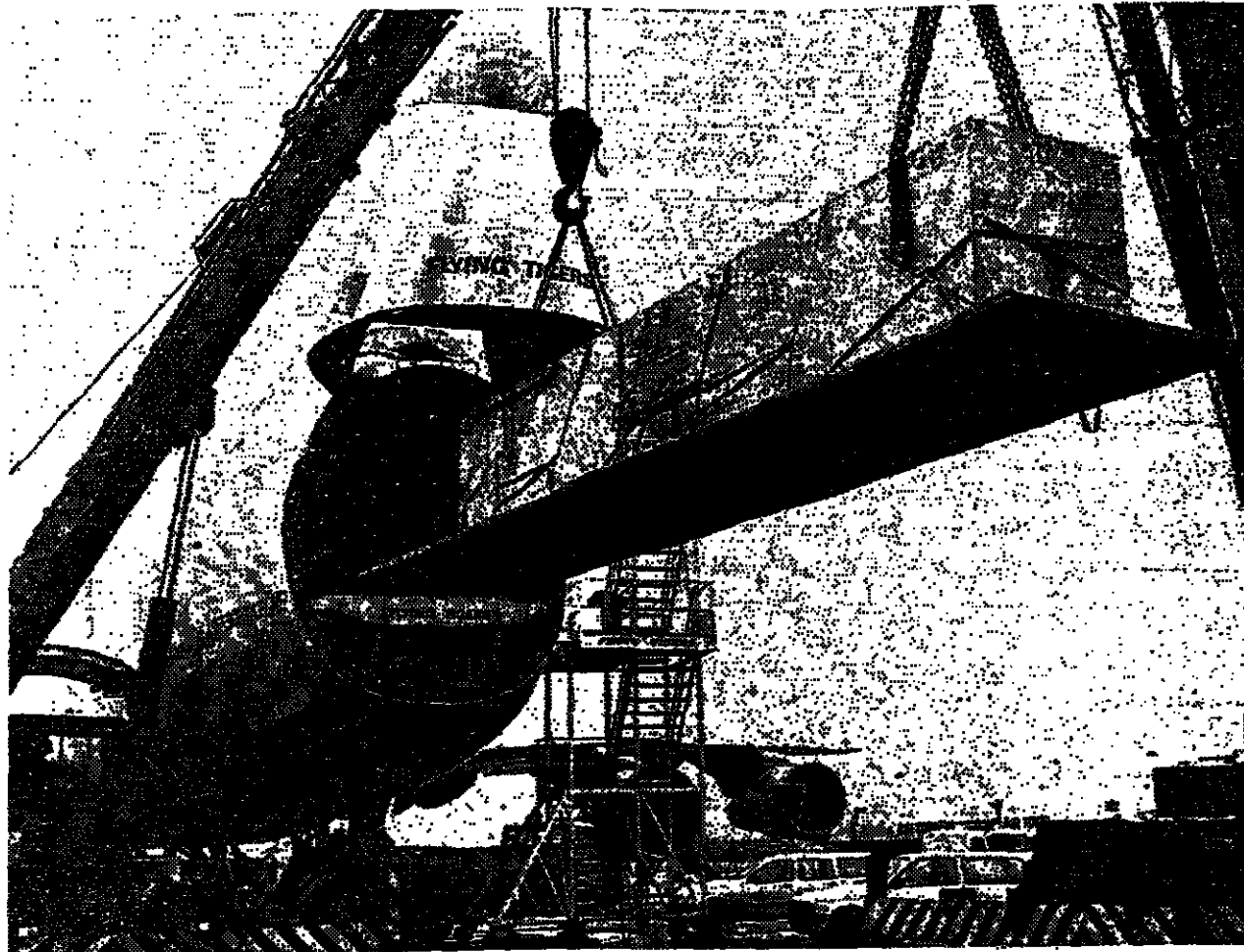
But the North Atlantic is not the entire air cargo scene and some markets remain extremely buoyant. Most parts of the Far East come within this category, with Japan in the lead as it makes its conscious political effort to open its own markets to imports and so dampen criticism that its products swamp markets abroad with no return.

At the same time, specialized sectors of the air freight industry are going well - particularly the courier business and the small overnight parcels service.

Airlines continue to debate whether they should invest enormous capital sums in all-cargo wide-bodied airliners, carry what cargo they can in the underfloor holds of their passenger airliners, or hedge their bets by buying or leasing "combi" aircraft which can carry both passengers and freight on their main decks, separated by a divider, which can be moved to take account of shifts in either type of traffic.

The "combi" solution enables the airline industry to overcome its traditional inability to forecast, with any degree of accuracy, traffic trends more than a year or so in advance.

At the other end of the



A 40-tonne core for a hydroelectric plant leaves Heathrow for Dubai by Flying Tigers. Right: One of Britain's 1984 Olympics showjumping horses arrives at Stansted



market, there is a brisk trade in second-hand narrow-body jets of the DC-8 type for all-cargo flights, though their purchasers are faced with the additional expense of having their engines heavily modified if they are to operate into airports in the United States or Europe where new and severe noise regulations are coming into force.

On the ground, computerization is gradually streamlining the heavy paper work which has in the past eroded the great advantage of air cargo - speed

between airports - but there are still many major airports around the world where airlines, Customs, forwarders and consolidators, and customers communicate by outdated methods, and where dwell times are long. A few airports are investing considerable sums in updating their freight facilities. Manchester International, where work is proceeding on a new £8 million complex, is a case in point.

Air Cargo continues to be a highly competitive business,

with shippers often able to negotiate spot prices on a day-to-day basis.

Leaders of this section of the industry now accept that there are many types of goods which they will never be able to claim away from surface transport, but they also believe that there are others where they will, in future, be able to make a case for a switch by quoting the total distribution cost theory. Air freight now distributes motor car parts across the world on a "just in time" basis, enabling the user to free valuable warehouse space.

Another area which is developing strongly is the carriage by air of exotic fruit, vegetables and flowers, and chilled meats and fish. But as it expands in these directions, the airlines' air freight business is, in turn, under threat from surface carriers, and particularly from juggernaut trucks. The airlines have responded by building up their own fleets of long-distance lorries to feed cargo into their own central bases for onwards carriage by air. In the UK, both British Airways and British Caledonian have considerable fleets of such vehicles operating to strict schedules and even bearing their own "light" numbers.

More planes to match the cargo business boom

Airlines which specialize in cargo are doing well and have been adding to their fleets.

In the United States, Emery acquired 17 DC-8s last year to add to its 24 Boeing 727s and 28 other assorted aircraft. Shipments in 1984 reached a record 10.1 million, up 21 per cent, and weight carried was 530 million pounds, up 20 per cent. Federal Express has ordered 30 Cessna Caravan single-engine turbo-props, with a further 70 on option to buy, to be used on branch routes, and has also bought five new DC-10s. The airline carried 73.6 million packages in the first nine months of its financial year.

Flying Tiger has 20 Boeing 747 jumbos in its fleet, plus a similar number of 727s, and says that its principal cargoes are fashions, textiles, oil-drilling equipment, machinery and machine parts, and perishables such as seafood and fruit. It introduced a second weekly all-freight 747 service between New

York and Prestwick airport, Scotland, earlier this month, and this is expected to carry equipment for the oil industry, and for computer companies now established in "silicon glen".

Al Hicks, Flying Tiger's vice-president, Europe, told an international freight industry conference at Brighton earlier this summer that passenger airlines "only view cargo as an additional revenue source - something in their empty bellies is better than nothing".

"Some" passenger carriers offer rates to the USA as low as 55p per kilo, with the 5 per cent agent's commission and a 10 per cent override commission. Can passenger airlines offering these rates really be concerned with the economics of what their real costs are to handle this freight?" he asks.

Ron Needham, sales director of Tradewinds Airways, one of Britain's leading all-freight airlines, said that there has been

an increased demand for full charters, with a fair amount of bloodstock flying. This traffic is expected to increase this autumn following sales in the US and the UK. Services to the Middle East and Africa were buoyant.

"Compared with 1984, eastbound cargo levels have shown a reduction, presumably due to an increase in aircraft capacity. We are hopeful of returning to our usual full services during this month", Mr Needham said.

HeavyLift Cargo, Britain's other major all-freight airline, continues to range the world picking up outside loads, from whole aircraft fuselages to water treatment plants, in its fleet of ex-RAF Belfast and Super Guppy aircraft. The airline recently invested £250,000 in a modification to the Belfast which enlarges its already capacious main deck hold and enables an extra 2.5 tons of freight to be carried.

The spaces that make millions

With more cargo on offer on many routes than there is space in the aircraft for it, the airlines have introduced ingenious schemes to make more room.

British Airways, for instance, claims that it has found the equivalent of the volume of two Boeing 747s by utilizing every spare corner in its existing wide-bodied fleet. The airline has introduced extensions to the containers and pallets in and on which freight is carried so that they now hug the interiors of the underfloor holds, instead of leaving gaps.

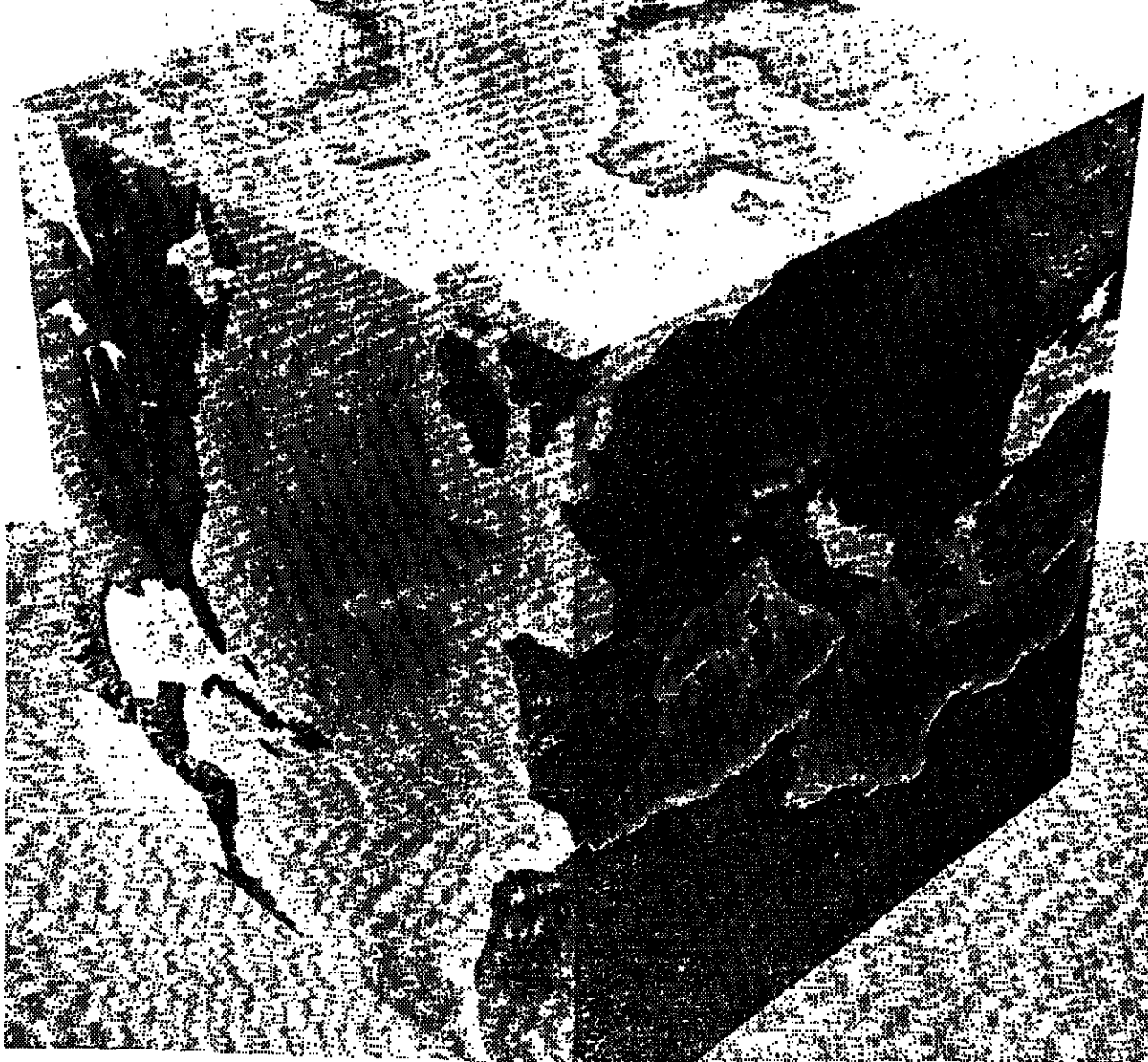
It is also making major modifications to 10 Lockheed TriStars to increase their cargo capacity by 75 per cent. The work entails moving the galleys from under the floor up to the main deck and strengthening the undercarriages so that the aircraft can carry more weight. Moving

the galleys will cost £35 million, but BA estimates that the spaces that will become available will earn it an additional £10 million a year.

Having sold its all-freighter fleet in the early 1980s, British Airways is now the biggest freight airline in the world without this type of aircraft. Flying Tiger, Japan Air Lines, Air France, Lufthansa, and KLM, which all performed more freight tonne-kilometres than BA last year, have all-freighter aircraft in their fleets.

Freight contributed £250 million to BA's revenues in 1984-85, with total tonnage up 14 per cent at 260,000 tonnes. The airline continues to explore new ways of increasing its cargo business, including express packages, passengers' heavy baggage by freight, and the carriage of pets - this last business producing £1 million of revenue in the most recent financial year.

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(SPECIAL REPORT)

AIR FREIGHT/2

The middlemen who make it all happen

The increasingly important rôle played in exporting by forwarders is highlighted in the results of a survey published recently by Haniel International, one of the leading companies in this sector of air freight, with 77 offices in various parts of the world.

Analysing responses from 95 UK exporters, Haniel found that 56 per cent of them considered that they could not export without using a forwarder, while 80 per cent said they used international parcels and express services at one time or the other. Good service was thought to be more important than the rates charged.

Less encouraging to the airfreight industry was the fact that of the 33 per cent which had used an agent or airline, computer to calculate if air freight would be cheaper than surface freight, only in 22 per cent was air found to be cheaper.

In general, the exporters polled were optimistic about their prospects: 58 per cent saying that their total production had increased over the past two years, and 86 per cent forecasting that their export business would increase during 1985.

Vic Stringer, Haniel managing director, noted that though no serious criticisms were aired, exporters were anxious that forwarders should improve the cost-effectiveness of their operations. Comments had included, "collection times are inconsis-

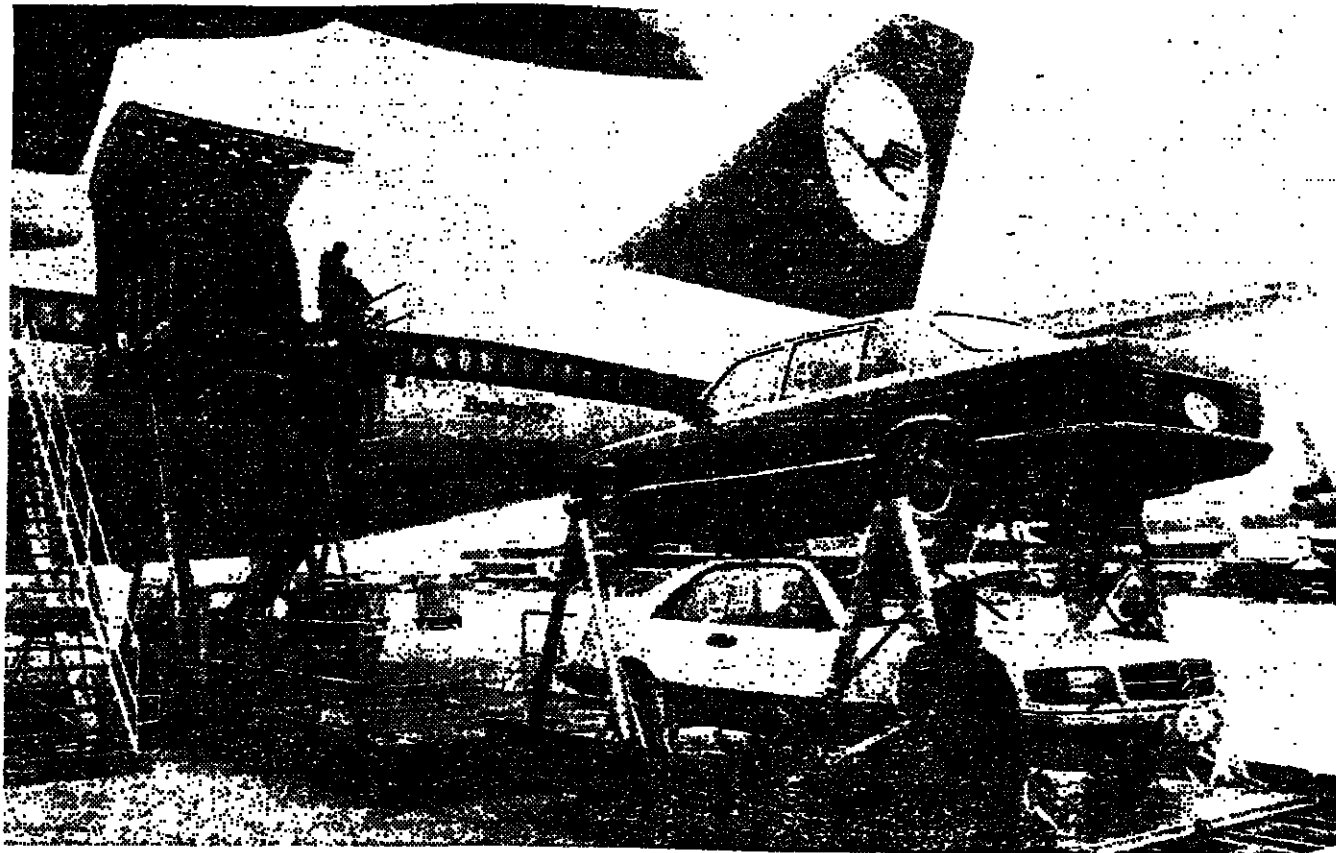
ent", and, "there is a need for better customer liaison". "Freight forwarding has become appreciably more professional with the introduction of sophisticated computer and telecommunications facilities", Mr Stringer said. "However, progress in this field will not be maintained unless forwarders seriously consider making the training of their staff, particularly in new technology, an absolute priority."

North Atlantic service being watched closely

According to International Air Transport Association figures, Pandair Freight had, at £23.6 million, the largest sales among the 200 or more UK airfreight forwarders in 1984. Jardine was second, with £23 million, and Mercury third with £20 million. Pandair, Jardine, and Mercury showed 23 per cent, 30 per cent, and 17 per cent increases respectively in business over the previous year and this was also the case for the majority of the rest of the forwarders listed.

Indicative of the trend towards simplification throughout the industry, Pandair will now accept individual pieces of freight up to 250kg in weight for door-to-door delivery under a tariff which includes collection, processing, freight carriage, Customs clearance and delivery, for a single price.

All UK forwarders are watch-



Getting there: Mercedes cars are taken on board by Lufthansa, and the forwarders ensure they reach their destination

ing closely the progress of the service across the North Atlantic into the UK and Europe launched this summer by the US small parcels specialist Federal Express. The company's Boeing 727 flies from its Memphis, Tennessee, headquarters to Stansted airport in Britain, and then on to Brussels, via New York and Gander, Newfoundland, returning to Memphis by way of Shannon, Ireland, and Gander.

Launching the service, James Barksdale, Federal Express chief operating officer, said that the company had been using on-board couriers flying on passenger airlines to serve the

European market. "While that was acceptable, complications in trying to mesh the company's service schedules made it mandatory that we utilize our own aircraft to meet our own high service standards."

Purolator Courier is another US-based company which is moving into Europe, with hubs at Brussels and Amsterdam served overnight by chartered aircraft operated by Purolator UK. The company expects an increase of between 30 and 35 per cent in the small parcels/documents business generally out of the UK this year.

Shipments given to Purolator UK for the US and Canada are placed on board the supersonic Concorde to New York each evening, and those bound for New York and within a 200-mile radius of that city are cleared at JFK airport and transferred to the company's facility at Indianapolis where the nightly sorting capacity is 40,000 items, rising to 125,000 by 1987 when extensions are complete.

Among European companies competing with these US giants is XP Express Parcels System, which has a network enabling it to deliver documents and parcels overnight to some 2,000 towns and cities on the continent. The company, established in 1972, now operates two freighter aircraft each night from Britain, an F-27 from Luton, and an Islander from Birmingham. Both fly to XPs base at Maastricht.

The second service, out of Birmingham, was started last month. Iresone Air Transport traces its aviation lineage back to 1919 when, as an airline, it pioneered the first scheduled services across the Channel. Now an air

broker, the company arranges long-term and short-term aircraft leases, and the carriage of freight, among its many activities. In the spring of this year it was responsible for the transport by air of a large quantity of equipment from the UK to fight an oil spill caused by the collision of two ships in the Straits of Messina, Sicily.

A new international air courier subsidiary was launched earlier this year by Kuehne and Nagel (UK), jointly owned by the Swiss Kuehne family and Lorrho plc, and operating in the fields of air and surface freight, forwarding, travel, insurance, and shipbroking. The air cargo division of the British company had a turnover of £18m in 1984. The courier company's world-wide organization boasts 300 offices in 55 countries.

Deregulation 'a shot in the arm for air freight'

McGregor Sea and Air Services (MSAS) which came eighth in the IATA "league table" of UK freight forwarders for 1984, and which has a network covering 61 countries, saw big increases in business in Britain and the US last year. Tom Loughhead, chief executive, said that despite the strong dollar, the North American division increased its contri-

bution by 330 per cent over 1983.

Seabourne Express claims to have been the pioneer of express delivery in Europe and now has services to and from nine European countries, with a turnover of £11 million. The company guarantees to hand back to its customers double their money if an express delivery is late. Seabourne Aviation, a sister company, operates Manston airport, in the Isle of Thanet.

The British Shippers' Council, representing the customers who feed freight into the air transport industry, is looking forward to an element of deregulation in freight rates in Europe. Its representative said: "We applaud the interest expressed by our own government, and by the European Commission in liberalizing air transport within Europe, having seen the impact which such moves have had in the US."

"We feel that deregulation will provide a much-needed shot in the arm for air freight, for some of the airlines in Europe have been very slow to develop the services which shippers are looking for today, whether door-to-door, or high-speed. This is why the flying forwarders are filling the gap in the portfolio of services offered by the airlines to the shipper."

The council is also looking for a simplification of air freight tariffs.

Source: HM Customs and Excise
VISIBLE TRADE THROUGH UNITED KINGDOM AIRPORTS 1984

Airport	Value (£) millions Exports	Imports	Total
Heathrow	9,880.9	10,193.6	20,084.5
Gatwick	847.8	784.4	1,632.2
Manchester	432.7	561.4	994.1
Glasgow	330.7	286.5	617.2
Prestwick	126.9	313.7	440.6
Belfast	98.4	76.2	174.6
Stansted	106.9	55.4	162.3
Birmingham	19.9	69.9	89.8
Southend	27.6	55.3	82.9
All other airports	1,000.7	1,080.9	2,081.6
Total all airports	12,885.5	13,457.3	26,339.8
Percentage change on 1983	23.3	21.5	22.4

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Fax Number: (0753) 684771

Branches in:
Birmingham - Unit 39, Elmdon Trading Estate, Bickenhill Lane, Marston Green, Birmingham B37 7HE. Phone: (021) 779 6996. Telex: 336336.
Bristol - 155 South Liberty Lane, Ashton Vale, Bristol BS3 7TL. Phone: (0272) 662511. Telex: 449171.
Cardiff - Rhosce Airport, Mid Glamorgan, South Wales CF6 9ZZ. Phone: (0446) 710201. Telex: 498163.
Gatwick - Unit 9, Fleming Way Industrial Centre, Crawley, West Sussex. Phone: (0293) 343161. Telex: 877946.
Glasgow - Unit No. 1, Righthead Industrial Estate, Bellhill, Lanarkshire ML4 3DY. Phone: (0698) 843004. Telex: 779518.
Leeds - Millshaw Park, Leeds LS1 0LX. Phone: (0532) 703321. Telex: 556115.
London Airport - Galleyhead Road, Colnbrook, Slough, Berks SL3 0EL. Phone: (0753) 684555. Telex: MCAIR 847552.
Luton - Unit B, Kingsway Industrial Estate, Luton, Beds, LU1 1LP. Phone: (0525) 417996. Telex: 523118.
Manchester - Unit 6, Ringway Trading Estate, Shadowmoss Road, Wythenshawe, Manchester, M22 6LX. Phone: (061) 437 7821. Telex: 668463.

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worth, Cape Town, Durban, East London, Jomo Kenyatta Airport, Germiston, Kimberley, Port Elizabeth, Pretoria, Richards Bay, Springs, Uman, UGANDA - Kampala, ZAMBIA - Ndola, ZIMBABWE - Bulawayo, Harare, Plumtree, Victoria Falls.



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claimants should ring 0254-53272

ACCOUNT DAYS: Dealings Began, Sept 16. Dealings End, Sept 27. \$ Contango Day, Sept 30. Settlement Day, Oct 7.
\$ Forward bargains are permitted on two previous days.

OIL

[illegible]

E-K

OVERSEAS TRADERS									
190	Anglo Indonesian	190	29	30.0	6.0	35	7.0	35	7.0
191	Anglo Siam	191	29	30.0	6.0	35	7.0	35	7.0
192	Anglo Siam	192	29	30.0	6.0	35	7.0	35	7.0
193	Anglo Siam	193	29	30.0	6.0	35	7.0	35	7.0
194	Anglo Siam	194	29	30.0	6.0	35	7.0	35	7.0
195	Anglo Siam	195	29	30.0	6.0	35	7.0	35	7.0
196	Anglo Siam	196	29	30.0	6.0	35	7.0	35	7.0
197	Anglo Siam	197	29	30.0	6.0	35	7.0	35	7.0
198	Anglo Siam	198	29	30.0	6.0	35	7.0	35	7.0
199	Anglo Siam	199	29	30.0	6.0	35	7.0	35	7.0
200	Anglo Siam	200	29	30.0	6.0	35	7.0	35	7.0
201	Anglo Siam	201	29	30.0	6.0	35	7.0	35	7.0
202	Anglo Siam	202	29	30.0	6.0	35	7.0	35	7.0
203	Anglo Siam	203	29	30.0	6.0	35	7.0	35	7.0
204	Anglo Siam	204	29	30.0	6.0	35	7.0	35	7.0
205	Anglo Siam	205	29	30.0	6.0	35	7.0	35	7.0
206	Anglo Siam	206	29	30.0	6.0	35	7.0	35	7.0
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208	Anglo Siam	208	29	30.0	6.0	35	7.0	35	7.0
209	Anglo Siam	209	29	30.0	6.0	35	7.0	35	7.0
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213	Anglo Siam	213	29	30.0	6.0	35	7.0	35	7.0
214	Anglo Siam	214	29	30.0	6.0	35	7.0	35	7.0
215	Anglo Siam	215	29	30.0	6.0	35	7.0	35	7.0
216	Anglo Siam	216	29	30.0	6.0	35	7.0	35	7.0
217	Anglo Siam	217	29	30.0	6.0	35	7.0	35	7.0
218	Anglo Siam	218	29	30.0	6.0	35	7.0	35	7.0
219	Anglo Siam	219	29	30.0	6.0	35	7.0	35	7.0
220	Anglo Siam	220	29	30.0	6.0	35	7.0	35	7.0
221	Anglo Siam	221	29	30.0	6.0	35	7.0	35	7.0
222	Anglo Siam	222	29	30.0	6.0	35	7.0	35	7.0
223	Anglo Siam	223	29	30.0	6.0	35	7.0	35	7.0
224	Anglo Siam	224	29	30.0	6.0	35	7.0	35	7.0
225	Anglo Siam	225	29	30.0	6.0	35	7.0	35	7.0
226	Anglo Siam	226	29	30.0	6.0	35	7.0	35	7.0
227	Anglo Siam	227	29	30.0	6.0	35	7.0	35	7.0
228	Anglo Siam	228	29	30.0	6.0	35	7.0	35	7.0
229	Anglo Siam	229	29	30.0	6.0	35	7.0	35	7.0
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232	Anglo Siam	232	29	30.0	6.0	35	7.0	35	7.0
233	Anglo Siam	233	29	30.0	6.0	35	7.0	35	7.0
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235	Anglo Siam	235	29	30.0	6.0	35	7.0	35	7.0
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258	Anglo Siam	258	29	30.0	6.0	35	7.0	35	7.0
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282	Anglo Siam	282	29	30.0	6.0	35	7.0	35	7.0
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284	Anglo Siam	284	29	30.0	6.0	35	7.0	35	7.0
285	Anglo Siam	285	29	30.0	6.0	35	7.0	35	7.0
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287	Anglo Siam	287	29	30.0	6.0	35	7.0	35	7.0
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289	Anglo Siam	289	29	30.0	6.0	35	7.0	35	7.0
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291	Anglo Siam	291	29	30.0	6.0	35	7.0	35	7.0
292	Anglo Siam	292	29	30.0	6.0	35	7.0	35	7.0
293	Anglo Siam	293	29	30.0	6.0	35	7.0	35	7.0
294	Anglo Siam	294	29	30.0	6.0	35	7.0	35	7.0
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315	Anglo Siam	315	29	30.0	6.0	35	7.0	35	7.0
316	Anglo Siam	316	29	30.0	6.0	35	7.0	35	7.0
317	Anglo Siam	317	29	30.0	6.0	35	7.0	35	7.0
318	Anglo Siam	318	29	30.0	6.0	35	7.0	35	7.0
319	Anglo Siam	319	29	30.0	6.0	35	7.0	35	7.0
320	Anglo Siam	320	29	30.0	6.0	35	7.0	35	7.0
321	Anglo Siam	321	29	30.0	6.0	35	7.0	35	7.0
322	Anglo Siam	322	29	30.0	6.0	35	7.0	35	7.0
323	Anglo Siam	323	29	30.0	6.0	35	7.0	35	7.0
324	Anglo Siam	324	29	30.0	6.0	35	7.0	35	7.0
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326	Anglo Siam	326	29	30.0	6.0	35	7.0	35	7.0
327	Anglo Siam	327	29	30.0	6.0	35	7.0	35	7.0
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330	Anglo Siam	330	29	30.0	6.0	35	7.0	35	7.0
331	Anglo Siam	331	29	30.0	6.0	35	7.0	35	7.0
332	Anglo Siam	332	29	30.0	6.0	35	7.0	35	7.0
333	Anglo Siam	333	29	30.0	6.0	35	7.0	35	7.0
334	Anglo Siam	334	29	30.0	6.0	35	7.0	35	7.0
335	Anglo Siam	335	29	30.0	6.0	35	7.0	35	7.0
336	Anglo Siam	336	29	30.0	6.0	35	7.0	35	7.0
337	Anglo Siam	337	29	30.0	6.0	35	7.0	35	7.0
338	Anglo Siam	338	29	30.0	6.0	35	7.0	35	7.0

FOODS

[illegible]

Condition	Percentage of correct responses
100% correct	100%
90% correct	90%
80% correct	80%
70% correct	70%
60% correct	60%

[illegible]

CINEMAS AND TV

SHIPPING					
191	Aaron for Ports	338	• +10	12.5	3.7
200	Albany (Holland)	340	•	8.7	5.7
202	Colombia	341	• +2	8.7	5.7
203	Albany (Holland)	342	•	8.7	5.7
204	Colombia	343	• +2	8.7	5.7
205	Albany (Holland)	344	•	17.8	5.8
206	Colombia	345	• +2	5.28	5.3
207	Albany (Holland)	346	•	5.28	5.3
208	Colombia	347	• +2	5.28	5.3
209	Albany (Holland)	348	•	5.28	5.3
210	Colombia	349	• +2	5.28	5.3
211	Albany (Holland)	350	•	5.28	5.3
212	Colombia	351	• +2	5.28	5.3
213	Albany (Holland)	352	•	5.28	5.3
214	Colombia	353	• +2	5.28	5.3
215	Albany (Holland)	354	•	5.28	5.3
216	Colombia	355	• +2	5.28	5.3
217	Albany (Holland)	356	•	5.28	5.3
218	Colombia	357	• +2	5.28	5.3
219	Albany (Holland)	358	•	5.28	5.3
220	Colombia	359	• +2	5.28	5.3
221	Albany (Holland)	360	•	5.28	5.3
222	Colombia	361	• +2	5.28	5.3
223	Albany (Holland)	362	•	5.28	5.3
224	Colombia	363	• +2	5.28	5.3
225	Albany (Holland)	364	•	5.28	5.3
226	Colombia	365	• +2	5.28	5.3
227	Albany (Holland)	366	•	5.28	5.3
228	Colombia	367	• +2	5.28	5.3
229	Albany (Holland)	368	•	5.28	5.3
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243	Albany (Holland)	382	•	5.28	5.3
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245	Albany (Holland)	384	•	5.28	5.3
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328	Colombia	467	• +2	5.28	5.3
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387	Albany (Holland)	526	•	5.28	5.3
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394	Colombia	533	• +2	5.28	5.3
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421	Albany (Holland)	560	•	5.28	5.3
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423	Albany (Holland)	562	•	5.28	5.3
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427	Albany (Holland)	566	•	5.28	5.3
428	Colombia	567	• +2	5.28	5.3
429	Albany (Holland)	568	•	5.28	5.3
430	Colombia	569	• +2	5.28	5.3
431	Al				

DRAPERY AND STORES

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TOBACCOS						
270	BAT	270	-3	15.7	8.8	8.7
182	Imperial	189	●	12.2	8.5	11.0
711	Polarsmoke	714	●-2	8.1	8.0	4.0

NEWSPAPERS AND PUBLISHERS

...the ...

FINANCE AND INDUSTRY

Executive Editor Kenneth Fleet

Hattersley set for own goal over bank plan

Roy Hattersley's proposals for a National Investment Bank funded by the repatriation of institutional funds from abroad may prove to be an own goal which the Labour Party lives to regret. Taken in isolation, the idea of a long-term credit institution to finance British industry is one which has had support at times from different parts of the political spectrum. Even some pension fund managers would concede that the idea is worthy of consideration, but it is based on the dubious proposition that the City has somehow fallen down on the job.

There is plenty of evidence to suggest that there is a plethora of funds available for viable projects and even those who take the view that the City's horizon is too short have by no means made a watertight case for some new kind of investment institution. Certainly the record of state-directed investment in the past has not been spectacular.

But to fund such an institution by, in effect, forcing pension funds and insurance companies to repatriate the funds they have invested overseas since the 1979 abolition of exchange controls, is to add an even more dubious dimension to an already unproven proposition. Mr Hattersley argues that, because of the tax concessions enjoyed by pension funds and the like, the British taxpayer is subsidizing investment in competitor economies by investing overseas.

This overlooks the fact that the tax privilege the institutions enjoy are there to benefit pensioners. The job of the fund manager, who is in a position of trust, is to manage the investments for which he is responsible for the benefit of others.

Diversifying risk is one of the cardinal rules of wise fund management and Mr Hattersley's plan would leave fund managers with the Hobson's choice of either not diversifying portfolios in the way they believed would best serve their pensioners or investors or of continuing to invest overseas to the degree they considered appropriate, and - damage pensioners and investors' interests - by losing their tax privileges.

There are numerous other inconsistencies and potential pitfalls with the Hattersley plan, which runs completely counter to the trend towards liberalization and internationalization in the markets. For instance, many British companies draw the lion's share of their earnings from overseas. Presumably investing in these companies would be considered "okay" by Mr Hattersley, but in many cases it would not in practice be any different from investing in companies whose shares are listed abroad.

Fund managers are also likely to find numerous ways to circumvent the proposals.

In short, it is hard to resist the conclusion that the way Mr Hattersley proposes to fund his National Investment Bank is somewhat naive and simplistic and hardly likely to appeal to the vast numbers of the British public with savings managed by the pension fund and insurance industry.

BT makes unwilling case for competition

British Telecommunications' first-quarter figures are excellent: a testimony to BT's monopoly power and a commendable post-privatization response to a healthier working environment. They are also a reminder that BT can stand, and no doubt benefit, from injections of competition stimulants. One of the most important of these is not far away, if Professor Bryan Carsberg, director general of the office for Telecommunications (OfTel) has his way.

OfTel, which exists to promote competition, has made up its mind on the level of connections and the cost to Cable & Wireless of plugging its Mercury network into the BT system. Professor Carsberg has come down firmly in favour of

competition and C & W. The draft report of his conclusions were sent to the two companies last week and the contents will have eclipsed any joy that the BT board might have felt over its first-quarter results.

The sums involved as a result of the decision on interconnection are not large in relation to BT's own profit and loss account. Jack Summerscale at the stock-brokers, de Zoete & Bevan, estimates that by 1990 the impact of Mercury could be to depress BT's profits by around just 4 per cent of a projected £2.7 billion at the pretax level for that year. In the context of the much smaller Cable & Wireless, the figure is much more significant adding perhaps £100 million to pretax profits in 1990.

A bigger problem for BT is that Mercury will be well placed to take its fair share of telecommunications growth, growth that BT would have been counting on in its medium-term forecasts. Further, and more important, the stock market might just perceive the arrival of Mercury with a profitable smile on its face as heralding a secular change in BT's fortunes. True or not, it is surely better to foster a sturdy British competitor to BT before 1990 when the barrier against foreign companies competing in the UK market could be lifted.

For the time being the market can bathe in BT's latest figures, which for the three months to June 30 showed pretax profits up to £443 million from £319 million. True, the £124 million increase is cut to £85 million after allowing for the privatized capital structure, but the result was still at the top end of expectations.

Sales increased to £2,005 million from £1,812 million although this translated into just an additional £59 million at the operating level. Although the company insists that it is seeking and finding efficiencies there is still a suspicion that it is not managing labour costs as well as it might. Still, there was little to alarm the City, which marked the shares up 8p at 204p.

It's all done with mirrors at BPCC

The stock market was impressed with the interim results from Robert Maxwell's British Printing and Communications Corporation, marking the shares up 6p to 183p. But that may have had more to do with a prospective yield of possibly 10 per cent, as with the chairman's soap-box oratory on the outlook for the group.

Profit before tax rose 4.1 per cent to £11.4 million for the half-year to June 30, on turnover 12.1 per cent higher at £126.3 million.

There is no mention of property sales, but the disposal programme has been so active of late that Mr Maxwell may have persuaded the auditors to include them in trading activities.

Below the line the picture is in any case made less rosy by the absence of group relief from Pergamon, an item worth £4 million in the corresponding period last year. But it was known that this bounty would have to be forgone, and therefore, already discounted in the share price.

Nevertheless, the effect has been to reduce earnings per share from 9.7p to 6.8p, and Mr Maxwell will have to run hard to match 1984's final earnings of 29.6p. The shares are given less than half the rating of Fleet Holdings, which at 362p is 18 on earnings of 20.1p.

Much is now pinned on the transfer of the Mirror Group's national newspaper printing to BPCC. But while this will give turnover an immediate shot in the arm, it also means that BPCC's shareholders will bear the direct brunt of future disputes.

And, despite (or because of) Mr Maxwell's brutal approach to labour relations, there is no sign yet that the struggle on that front is over.

Cookson in £45m bid for Horsell

By Alison Eadie

Cookson Group, the metals and industrial chemicals company, has made a £45.2 million agreed bid for Frank Horsell, the Leeds printing industry supplier quoted on Granville's Over-the-Counter Market.

In July Horsell announced plans to seek a full listing. The plans have now been shelved.

Horsell's pretax profits have grown at an average annual compound rate of 26 per cent over the five years to March 31, 1985, the company had sales of £25.9 million and pretax profits of £3.7 million. Cookson had pretax profits of £53.8 million in the year ended December 31.

Both companies believe that Cookson's greater financial resources and its international trading network will enable Horsell to exploit overseas markets more effectively, and to develop faster to meet increasing demand.

The terms are 44 Cookson ordinary shares for 19 Horsell ordinary, and 19 Cookson ordinary for 10 Horsell preferred ordinary.

The offer values Horsell shares at approximately 37 per cent above their prevailing level on Granville's OTC market. There is a cash alternative at 60p for each Horsell ordinary and 497p for each preferred share.

Midsummer deal is off

Midsummer Inns, the real ale pub chain quoted on the Unlisted Securities Market, has been told that its proposed acquisition of the privately-owned Lincolnshire brewer, George Bateman & Son, is off.

Mr Adam Page, chairman of Midsummer, said: "We were given to understand unequivocally that Bateman had been sold to us. Then we were told they had decided to sell it elsewhere."

The sale was always a fraught affair. Mr George Bateman, the

chairman, who controls 40 per cent of the equity, wanted to keep the brewery and its 90 public houses in the family. However, his sister Helen, with 20 per cent, and brother John, with 40 per cent, wanted to sell.

Midsummer Inns' shares came back from suspension unchanged at 275p.

The company, which has 22 pub and discotheque outlets but no brewery of its own, was told by Bateman on Wednesday night that the deal was off.

MARKET SUMMARY

STOCK MARKETS

FT Ind Ord	1007.8 (+7.0)
FT All Share	633.70 (+4.72)
FT Govt Securities	83.19 (0-06)
FT-SE 100	1306.8 (12.0)
Bargains	19,467
Dataseam USM	N/A
New York	1299.27 (-1.12)
Dow Jones	12529.66 (-61.85)
Nikkei Dow	1563.62 (-5.78)
Hong Kong	221.2 (+1.2)
Amsterdam	942.9 (-10.5)
Sydney AO	1536.3 (-5.7)
Brussels	485.10 (+12.45)
Paris CAC	218.3 (+0.3)
Zurich	415.30 (+1.40)
SKA General	415.30 (+1.40)

GOLD

London fixing	£315.90pm-£316.30
close	£316.5-£317.00 (2237.00)
New York	Comex \$317.35

Distillers discloses months of negotiations with Argyll

By Patience Wheatcroft

Distillers, the Johnny Walker whisky and Gordon's gin group, admitted yesterday that it had been in talks for several months with Argyll Group, which has been reported to be preparing to make a takeover bid for the £1.2 billion company.

The talks have concentrated on possible trading, but on the stock market yesterday the admission only fuelled the belief that a link-up of some sort would eventually occur.

At its annual meeting in Edinburgh yesterday, Distillers launched a new, aggressive management initiative amid reports that it might turn the tables on Argyll and mount a takeover for that company itself.

Distillers' chairman, Mr John Cornell, announced that the

system of management by committee was to be disbanded and in future the heads of Distillers' four main divisions will report directly to him. Effectively, Mr Cornell has become chief executive. He said that the change would improve the overall effectiveness of the group's operations. It has long been criticized for having an unwieldy executive system which did not encourage swift decision making.

His statement was exceptionally bullish, talking of a 17 per cent growth in Scotch exports in the first five months of the year and leading one stockbroker to raise his profit forecast for the year from £240 million to £260 million, against last year's £236 million.

This month Mr James Gull-

liver's Argyll Group replied to market reports that it would bid for the much larger Distillers with a statement that it would not do so in the next few months. That did nothing to quell the speculation, and Argyll is still said to hold perhaps 4.7 per cent of the shares in Distillers.

But with the threat of takeover, Distillers has bolstered its advisory team by appointing Kleinwort Benson to join its existing merchant bankers, Robert Fleming. Now there is a suggestion that it may be gearing up to launch its own attack.

Distillers might be interested in an acquisition in either the food or distribution areas and Argyll, with its strong Scottish connections, would be a pos-

sible purchase. It might also consider the food interests of Allied-Lyons which would be up for sale should the Australian company, Elders IXL, succeed in its planned takeover of that group.

A bid of more than £500 million would be quite possible for the huge Distillers to swallow.

Yesterday Mr Cornell was not commenting on the subject of takeovers, and neither was Mr Gulliver.

Instead, Mr Cornell wanted to emphasize the positive news from Distillers and regular followers of the company found it the most bullish statement they had heard in many years.

Last night Distillers shares were up 10p to 396p and Argyll up 8p to 333p.

2% rise takes £M3 further over target

By Michael Prest, Financial Correspondent

The money supply is still growing much faster than the target rate set by the Government, according to the latest figures from the Bank of England.

The broad definition of money, sterling M3, jumped by 2 per cent in the banking month of August to bring the annual rate over the last 12 months to 13.6 per cent.

But the government has played down M3, which covers notes and coins, private sector bank deposits, despite the fact that the £M3 range is supposed to be 5-9 per cent.

Instead, the authorities may take heart from August's fall of 0.6 per cent in £M0, which is essentially notes and coins, to which more official attention is paid. The annual £M0 rate is now 4.5 per cent.

These figures, however, have largely left City analysts baffled. Further confusion has been created by the apparent leap in the central government borrowing requirement from a surplus of £1.16 billion in July to a deficit of £2.1 billion in August. At the same time, only £74 million of gilts were sold to the private sector in banking August, which was the five weeks to August 21.

One explanation for the sharp rise in £M3 is the heavy volume borrowing by companies. This could be to finance mergers, or be a reallocation of liquidity between companies which passes through the banks, or it may simply represent financial transactions such as borrowing to lend on at a higher rate.

In any event, the emerging view is that only the diehard monetarists of the old school still believe that the rapid annual expansion of £M3 heralds an acceleration of inflation. It is pointed out that the growth in £M3 over the past four months has been faster than that which preceded the sterling crisis on January.

The jump in the CGBR is largely explained by the public sector borrowing requirement figure of £1.1 billion, released on Wednesday. That statistic was for the calendar month of August, but it is possible that the government's borrowing was concentrated in the early part of the banking month.

Nevertheless, the net effect of public sector transactions was expansionary to the economy by £1.41 billion.

ABP buys stake in Euroroute

By William Kay City Editor

Associated British Ports Holdings yesterday joined the contest for the right to build a fixed link across the English Channel by paying £250,000 for a 10 per cent stake in Euroroute, the bridge-tunnel-bridge consortium led by Sir Nigel Brookes.

In doing so, AB Ports has delivered a slap in the face to the Channell Tunnel Group, the twin rail tunnel scheme, and Euroroute's principal competitor for the blessing of the French and British governments. Detailed submissions have to be in by the end of next month, to be followed by a go-ahead in the new year.

Mr Keith Stuart, chairman of AB Ports, said: "We examined both schemes, and our view is that Euroroute is a 21st century solution while CTG is only a 20th century solution."

AB Ports has more to gain from associating with Euroroute. It can offer marine research facilities and would hope to handle the marshalling operations at the British end.

It also has links with Kleinwort Benson, Trafalgar House and British Steel, three founder members of Euroroute.

IN BRIEF
Coni broker suspended

The senior partner of Coni Gilbert & Sanky, the London stockbroking firm, has been suspended from trading for three months and five of his seven partners have been censured by the Stock Exchange.

Mr Michael Somerset-Leake, the senior partner, is alleged to have put a number of bargains into suspense accounts for up to 10 days before contract notes were issued to clients. The notes were issued immediately. The breaches took place between December 1982 and August 1983.

The Stock Exchange found that there was "no adequate control" over certain administrative procedures.

Rowntree fall

Rowntree Mackintosh profits from £22.3 million to £20.9 million before tax in the six months to June 15. Turnover was up from £479 million to £519 million and the interim dividend is 4p (3.6p).

Tempus, page 23

AMS debut

AMS Industries, a manufacturer of sound processing systems, is coming to the stock exchange via an offer for sale by Barclays Merchant Bank. At 95p a share the company will be capitalized at £28.2 million.

Tempus, page 23

A US federal judge has issued a temporary restraining order against Richardson Vicks' plan to issue preferred shares to share holders to thwart a takeover move by Unilever.

Enterprise win

Enterprise Oil has won control of Saxon Oil. At yesterday's first closing holders of 50 per cent of Saxon's shares had accepted the £120.6 million bid which, with the 22.4 per cent which Enterprise already owned, was sufficient to declare the bid unconditional.

Ramco decline

Lack of contracts for North Sea platform construction yards hit Ramco Oil Services which incurred a pre-tax loss of £22,000 (£664,000 profit) on turnover down 33 per cent at £1.4 million in the first-half to June 30.

1985 Interim Report

Results in Brief	1985	1984
Turnover	519.4	479.2
Trading Profit	29.1	30.4
Interest	8.6	8.1
Profit before Taxation	20.5	22.3
Taxation	4.8	5.4
Profit attributable to Rowntree Mackintosh plc before extraordinary items	15.7	16.9
Earnings per ordinary share	9.4p	10.6p

* Interim pre-tax profits reflect intense competition worldwide: the Board remains confident of future growth

* Interim dividend of 4.0p - up 11%

* UK profits up 13%

* UK confectionery margins benefit from cost-cutting measures

* Good volume gains in UK grocery and snack foods

* Encouraging progress by North American operations: difficult trading conditions in Canada hold back first half performance

* Mixed results from other international operations

* Record investment: capital expenditure of £75m expected for the year.

1985 Interim Report

Rowntree Mackintosh

WALL STREET

Early dip for Dow

New York (Reuters): The stock market turned mixed in early trading yesterday with more issues advancing than declining. The Dow Jones industrial average was down 4.37 to 1,296.03 at one stage. Earlier broader indicators were higher. Advances led declines by five to three on turnover of 9.89 billion shares.

Analysts said selling related to the end of trading today of September stock index futures and options contracts had put pressure on stock prices so far this week and this could continue.

Before the market opened, the Commerce Department said the US personal income rose 0.3 per cent in August.

On the trading floor, IBM was down 1-3/4 to 127. Digital Equip up 1-3/4 to 106 1/4. General Motors down 1-8 to 67 5/8, and General Electric down 1-4 to 59 1/4.

At 1-1/2 and 1-3/4 to 21 and 1-1/2 to 29 3/4.

■ New applications for unemployment insurance benefits decreased to a seasonally adjusted 382,000 in the week ended September 7 down 6,000 from the week before, the US Labour department said in Washington yesterday.

The number of people receiving benefits under state programmes totalled 2,469,000 in the week ended August 31.

CANADIAN PRICES

Local Authority Deposits (%)
1 month 11 1/2 12 months 10 1/2
3 months 11 1/2 6 months 11 1/2
1 month 11 1/2 3 months 11 1/2
6 months 11 1/2 12 months 11 1/2

Overnight money traded between 11 1/2 per cent and 11 3/4 per cent during the morning. The close was around 12 per cent.

State Rates %
Cleaning Banks 11 1/2
Financial House 11 1/2
Discount Market Loans %
Overnight High 12 1/2 Low 11 1/2
Week fixed 11 1/2 11 1/2

Treasury Bills (Discount %)
Buying
1 month 11 1/2 2 months 11 1/2 3 months 11 1/2
Prime Bank Bills (Discount %)
1 month 11 1/2 3 months 11 1/2 6 months 11 1/2 12 months 11 1/2

Trade Bills (Discount %)
1 month 11 1/2 3 months 11 1/2 6 months 11 1/2 12 months 11 1/2
Interbank (%)
Overnight open 11 1/2 close 12
1 month 11 1/2 3 months 11 1/2 6 months 11 1/2 12 months 11 1/2

Fixed Rate Starting Offer Finance Scheme IV
Average reference rate for interest period 7 August 1985 to 3 September 1985 inclusive: 11.274 per cent.

MONEY MARKETS AND GOLD

Markets were very quiet yesterday. Operators were not going to get too involved until they saw today's flash estimate of American GNP growth.

So, with sentiment influenced by the tighter state of near-term money and, initially, by a lower pound, the occasional small seller was enough to lift short rates about 1/4 at the short end.

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Markets were generally quiet ahead of today's American flash gross national product figures, and did not respond to the sharp jump in British money supply. Major metals, notably copper and aluminium, fell about their prospects. Precious metals also looked weak, although gold was up a bit on the day.

Among the softs, coffee and cocoa were down after their recent small rallies.

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FOREIGN EXCHANGES

Foreign exchange markets did little more than mark time while awaiting today's important US flash GNP figure.

Currency rates traded within a narrow band.

Initially the dollar had started firmer and looked like testing 2.9250 against the mark, but there was not enough enthusiasm among operators to open new positions at this level, so a gentle drift down soon took place.

Sterling, which opened lower, moved within a narrow band throughout, eventually closing at 51.3495 a gain of 58 points. Against the mark, the pound also held up well at DM3.8570 (3.8775), while its trade-weighted index finished at 81.1 (unchanged).

The dollar closed lower against the mark at DM2.8970.

Sterling spot and forward rates.

Market rates, day's range, close.

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TEMPUS

Rowntree sugars its profit drop with hint of better things

Property developers and contractors expect profits to be uneven but it is not clear why the same should apply to a confectionery manufacturer. Yet Rowntree Mackintosh, confidently warns analysts against reading a trend into its latest figures. It implies that the £1.8 million fall in interim profits will be more than made up by the year end.

Rowntree blames the first-half shortfall on a failure to increase prices early enough at Tom's Foods, a recent American acquisition, problems with one of the main distributors in France, and a lower contribution from South Africa. With two of these factors expected to reverse in the second half, profits could rise from £47.5 million to £80 million or so for the 12 months.

The company claims its strategy is still on course. Lower profits at Tom's Foods have apparently not put it off making further United States purchases and it is at pains to point out that two other recent acquisitions are profitable.

Meanwhile, the traditional chocolate business at home is suffering from tough competition. Mars' Twix has gained at the expense of Rowntree's Kitkat, and Cadbury's Wipac has also done well. But Rowntree hopes an autumn campaign will win back part of the 1.5 per cent market share lost in the past two years.

New products such as Eclipse chocolates, an upmarket praline variety, should keep up the momentum, but it looks as if the established business is going to be under pressure for some time.

Rowntree will have to maintain margins by concentrating production on fewer sites. Assuming the company is right about the long-term trend, the shares at 375p look modestly rated on a multiple of 10 times prospective earnings. But it is a big assumption.

Gilts

The usual war of attrition between the authorities and the houses continued yesterday. The share of the £750 million, but the authorities purchased bills worth about only £600 million. Possibly, the wrong shape of account. Apparently it plans to spend £1 million on a new factory, but the rest must be earmarked for an acquisition.

Despite hefty marketing and product development costs, margins have risen from 50 per cent to a healthy 60 per cent on sales.

Having made £1.94 million last year, AMS is forecasting £3 million before tax this year, making the p/e ratio 15.5 at the Band Two, rather than the 95p offer for sale price. The more policy-sensitive Band One, yield is 1.8 per cent.

Four. The houses still seem to be betting on rate cuts materializing at some future date. They should also look to the risks of investing in a business so dependent on two founders price movements, were fairly small yesterday, but traders to report heavy trading volumes: the assets value at only £2.6 million, against the market of the market hold radical capitalization of £28.5 million. These factors could restrict the billies. The fact that index-linked stocks came in for some

enthusiastic buying tends to endorse this view, although an influx of insurance money may also account for their popularity.

The detailed money supply figures for banking August provide little help for either camp. Understanding them is possibly edifying on some future event. According to Stephen Lewis, now to be raised to the purple at Phillips Drew as chief economist, all that we learn from £M3 is that we learn nothing from £M3 - at least for the time being.

The growth rates of broad money and indeed of all the monetary dials, MO excepted, are comfortable, enconced in the low teens, but no rise in rates should follow from this, since in the authorities' eyes £M3 is not a reliable indicator of the tightness of monetary policy. Taking advantage of this sophistry, the funding programme has effectively ceased to exist, just £75 million have been sold in the last three banking months. National Savings have drawn in £200 million for so long, since the department now has no issue to sell. Eat your hearts but gilt market makers!

AMS Industries

AMS Industries has the right noise for young investors. Its sound processing systems are used by pop stars like Duran Duran and Paul McCartney. Older investors may find comfort in the fact that the list of customers also includes broadcasting establishments like the BBC and Granada as well as a range of film studios.

The company says it is coming to the stock market to enhance its status, but the main reason is probably the desire of the two founders to raise £5.7 million between them for part of their holdings. They have already taken a £739,000 exceptional combined bonus payment and pension contribution last year.

The company has opted to raise £797,000 at the same time. The £617,000 expenses of the offer for sale have been charged to the company rather than to the founders. But AMS does not have any obvious need for extra cash, as it has about £2.28 million sitting in its bank account. Apparently it plans to spend £1 million on a new factory, but the rest must be earmarked for an acquisition.

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Insurance scheme for directors

By Edward Townsend
Industrial Correspondent

A personal insurance scheme to protect Britain's company directors against successful claims brought under the new Insolvency Bill was launched by the Institute of Directors in London yesterday.

The scheme aims to put directors on the same footing as other professional people. For a premium of between £225 and £1,000 a year, a director will be covered for his personal liability under the Bill, due to become law in the present parliamentary session.

The Bill lays down that a director could be responsible for an insolvent company's debts if he or she has allowed the company to trade wrongfully.

Sir John Hoskyns, director general of the institute, said that the scheme was designed to help directors who might unwittingly become the victims of the new legislation. "For example, the definition of the new civil offence of wrongful trading is ambiguous and could penalize the responsible director."

Sir John added that there was no intention, with the maximum cover being £100,000, of establishing a scheme that would invite "gold-digging" actions by aggrieved people.

Telephone Rentals to buy Cass

By Alison Eadie

Telephone Rentals has made an agreed £7.6 million offer for Cass Group, the USM-quoted telecommunications company. Irrevocable undertakings have been given by Cass directors and Mrs Jean Cass, who has a 1.1 per cent stake for 68.7 per cent of the equity.

Their terms are three Telephone Rentals shares for four Cass shares. Cass shares fell 25p to 135p and Telephone Rentals eased 7p to 175p. Cass shares rose strongly in early August, when the company announced it had had a bid approach.

Telephone Rentals pretax profits for the six months to June 30 rose 6.7 per cent to £7.1 million on turnover 3 per cent lower at £34.3 million. The dividend was raised 11 per cent to 2.5p and the company expects to pay a final dividend of 4.5p, an increase of 12.5 per cent.

Business secured in new markets, rapidly developing as a result of the liberalization of British Telecom's monopoly, is substantially ahead of last year, the company said.

Cass's pretax profits for the six months to June 30 rose 6.8 per cent to £488,000. The company is to close its art subsidiary at an extraordinary cost of £81,000.

BAe takes off on talk of £1bn Air India deal

By Derek Pain and Pam Spooner

British Aerospace shares were full of eastern promise yesterday as the City heard talk of a near-billion pound contract for the Airbus Industrie A320 airliner.

Air India is thought to be looking much more favourably these days at the European airliner rather than the Boeing passenger jet. As many as 30 could be sold over the next few years.

British Aerospace is one of

Shares of Thomas Robinson & Son, a Rochdale, Lancashire, engineer, jumped 8p to 104p yesterday as Mr Graham Rudd, who has 12.5 per cent of the capital, joined the board. Mr Rudd, who is thought to be seeking a quoted vehicle, is the brother of Mr Nigel Rudd, chairman of Williams Holdings, the specialist engineer with 10 per cent of Robinson. A bid from Williams is, however, highly unlikely.

three partners in the Airbus craft and stands to benefit substantially from such an order. Along with good prospects for military aircraft sales, that puts the British company on a sound footing for the future and investors are happy to buy the stock.

BAe shares rose 41p, up 10p on the day. The recent sale of the Government's holding in the shares is now well out of the way.

How long the Indians will take to reach a decision on their order is anyone's guess. They are believed to have signed a

letter of intent to purchase a limited number of Boeing jets, but even that could be in doubt given the spate of bad publicity for Boeing after this year's accidents.

A spokeswoman for Airbus Industrie said yesterday: "Negotiations are still going on, and, though a decision is expected shortly, we cannot say how far off a statement might be."

Elsewhere in the stock market prices were firm, though the general level of business remains subdued. The FT 30 share index ended the day 7 points higher at 1007.8, while the FT-SE share market closed at 1306.8, up 12 points.

Government stocks had a quiet day, though index-linked issues gained up to 7½ as investors hedged their bets on the direction for inflation rates. News of average wage rises caused concern.

Among leading shares, Guest Keen & Neill's firm 5p to 237p. Directors from the company met Simon & Coates, the broker over lunch and buying ensued.

British Telecom was buzzing after its quarterly profits news. The share price rose 8p to 204p, and spurred buying in Cable & Wireless, the only alternative holding to BT, G & W shares gained 1½p to 50p.

Trafalgar House slipped 5p lower to 356p as a large line of stock went through. James Capel, the broker, was reported to have put through 4.3 million shares at around 350p. Selling of Trafalgar has been steady, following downgrading of profit

forecasts from leading brokers such as Quilter, Goodison, Allied-Lyons, the food and drink group, had an uncertain day as the market wrestled with the implications of a series of Australian tax changes, which include higher corporation tax and the introduction of a capital gains tax, would inhibit Elders' signalled bid for Allied sent the shares tumbling 13p to 265p at one time.

But the shares staged a partial recovery as some took the view that Mr John Elliott, the chief executive of Elders who is in the forefront of Australian politics, would have anticipated the tax

USM dealings are due to start on Thursday in the shares of Just Rubber, a maker of rubber covered rollers for a variety of industries. Quilter Goodison Co., the broker, is placing 1,875,000 shares at 62p each. Profits of not less than £575,000 are forecast for the year to the end of January.

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Traded option highlights

British Telecom stepped back into the limelight on the traded options market. The profits news brought in investors and 2,372 contracts in BT shares changed hands. That accounted for almost 25 per cent of the total 9,517 contracts traded.

Commercial Union business also took a sudden jump, with 1,332 contracts traded, but there were few other large volumes

changes which have been under discussion for some time. The recovery was also helped by a story that Mr Elliott has put together his bidding consortium. Kirin Brewery of Japan and Philip Morris, the US drinks to tobacco group, are reported to be his principal supporters.

Distillers Co. rose 10p to 396p after the yearly shareholders' meeting. Imperial Group shaded 1p to 194p.

Bank and insurance shares made headway with Provident Financial Group buoyed by continuing takeover whispers. Mercantile House Holdings held at 282p. Last evening Hoare Govett, the broker, held an investment seminar in the City on the company. Mr Rod Barrett, the Hoare banking expert, forecasts profits of £59 million against £52.2 million.

Stores were firm although Woolworth Holdings lost further ground following Wednesday's figures. Dixons Group continued firm, up 27p at 884p, in a market short of stock.

A 14 per cent profit jump helped British Printing and Communication Corporation 6p higher at 182p. Bodycote International, the textile group, gained 10p at 152p on a 66 per cent profit advance.

Laporte, with profits up 23 per cent, rose 3p to 318p but Yule Catto, with a 22 per cent profit decline, suffered a 17p fall to 186p. Industrial Finance & Investment slipped 30p to 158p as profits disappointed. Losses left Ramco 4p lower at 40p.

TI Group gained 8p to 388p as speculation continued about the bid intentions of Evered

Holdings. Evered is, it is understood, meeting institutional investors, fuelling expectations in some quarters that a bid may not be too distant.

Oils had a steadier session. The fall in Saudi Arabian production helped sentiment. British Petroleum rose 5p to 541p. Lasso gained 2p to 283p.

Rowntree Mackintosh, the sweets group, gained 10p to 373p despite poor figures. A 52 per cent profit gain helped Wm Morrison Supermarkets 8p higher to 166p.

Properties were firm. A Caird gained a further 4p to 43p on the Cardiff Property Co's interest.

Broker recommendations lifted Rank Organisation 10p higher to 418p.

Vickers rose 3p to 281p as the market looks forward to next week's interim results. One forecaster suggests pretax profits will come out at comfortably over £18 million, against £13.8 million in the first half of 1984.

Delta Group kept a firm front, the shares up 1p at 154p. City analysts have been visiting the engineering group and got a pleasant picture of its prospects.

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RECENT ISSUES

Alcatraz Bank Housing 5p Ord (67p)	115	1
Anglo United Down 24	67	48
Bradford Group 2p Ord (170)	47	67
British Oil (150) 5p Ord (102p)	170	3
C & A Clothing 10p Ord (80p)	80	60
Canon Street Jew 20p Ord (6p)	60	100-42
Corral Hedges 20p Ord (70p)	70	130
Counting Techniques 10p Ord (115p)	115	45 prem-5
East Park Hous 20p Ord (12p)	12	119
F.R. Group 10p Ord (12p)	12	
Israel (Bank) 10p Ord (20p)	20	
Kewell Systems 5p Ord (70p)	70	

YOUR OWN BUSINESS

The new team's hopes for jobs

By Derek Harris

Now that Lord Young, Secretary of State for Employment, has overall responsibility for small businesses there are already signs of new initiatives to boost the sector and produce jobs to combat unemployment.

One scheme believed to be under consideration is for cash help to enterprise agencies, matching pound for pound what agencies can themselves raise from the private sector, up to a ceiling of £20,000.

No light on the possibility was forthcoming this week from David Trippier, minister for small businesses at the Department of Trade and Industry, who has taken his whole case with him to join Lord Young at the Department of Employment. He went to Cheshire to be at the launch of the latest enterprise agency which brings the number of local enterprise agencies to 296.

But he did make it clear that the Government drive to tackle unemployment is now moving into a higher gear. Mr Trippier is now looking not only after small businesses, but tourism, which consists mostly of small businesses. He is also responsible for the Enterprise Allowance Scheme.

Mr Trippier has a £1.6 billion budget at the Department of Employment, more than the total spending of all the DTI. The lion's share of this

Still the minister in charge: David Trippier visiting a small business

part of the Employment budget goes on training but there should now be more scope in allocating resources - and small businesses are expected to benefit.

Later he did disclose his first move: to widen management training opportunities for those in small firms with projected courses due to be principally government-funded. Mr Trippier said: "With more training facilities available through the Manpower Services Commission I think that the job-creation potential with small firms is unlimited."

Will the new drive to promote small businesses prolong the life of the controversial Loans Guarantee Scheme, due to finish at the end of this year?

The high premium to borrowers seems to be the main reason take-up on the scheme has dwindled. If it is to go, it will presumably have to be changed, either with a reduced borrowing premium or greater exposure to risk for the banks or even a combination of the two. At least at the moment it is a new Chief Secretary, John MacGregor, who when he was small business minister fathered the Loan Guarantee Scheme.

Pull a pint in a pub of your own

By Derek Pain

The publican who yearns to throw off the shackles of a brewery and buy a free house to call his own is being offered a partnership with investors who want to achieve the tax benefits of the Government's Business Expansion Scheme.

Many licensees who rent pubs from breweries under a tenancy arrangement look longingly at their free house rivals who are, in every sense, their own boss.

Now Capital Ventures, a Cheltenham-based licensed dealer, has put together the Capital Inn Fund. Investors pump a minimum of £5,000 and a maximum of £40,000 into the fund, which buys free houses in partnership with publicans. The licensee will be expected to take a 20 to 30 per cent stake in the company formed to run the pub.

A director of Capital Ventures, Dennis Fredjohn, said: "The scheme is aimed at the professional publican, not the aspiring amateur who wants a pub as a sideline."

The Capital Inns concept was developed by Philip Turner. A company called Capital Inns was formed to take over the Garway Moon pub at Garway, Herefordshire. The operation got underway in May. The business had been neglected and was in need of attention and improvement. Already drink sales are running 40 per cent higher.

The fund plan is that the licensee partner runs the pub as a manager for a specially formed company - generally companies will be formed for each pub venture - and is a director of the owning company. Pubs will operate as free houses, although the Whitbread brewing plant, which is described as "licensed trade advisers" to the fund, is likely to be the main beer supplier.

Under BES funds, an investor paying tax at 60 per cent achieves a 60 per cent tax saving. If he invests £10,000 his net investment £4,000. However, the tax relief is sacrificed if the investment is not held for five years.

● Contact: Capital Ventures, 37 London Road, Cheltenham, Gloucestershire, GL52 6HA.

BRIEFING

New Britain

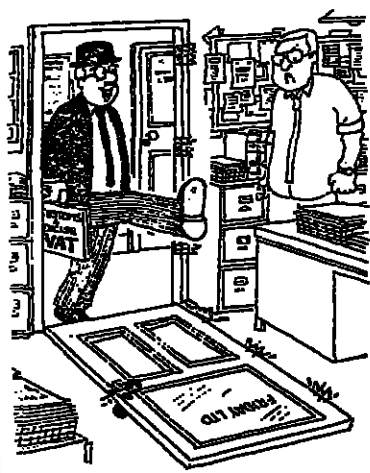
Leon Brittan yesterday got his first job as public secretary to the new Trade and Industry secretary to help promote international exports and particularly sales of small to medium sized firms. He is stepping into the shoes of Norman Tebbit, who had accepted an invitation to inaugurate the Export '85 exhibition on November 5 at the Barbican Centre, London. The event brings together more than 100 companies which can advise companies selling abroad on the latest in financial, marketing, freight, computing and other specialist services.

● Contact: Penny Hill, Queensdale Exhibitions, 137 Blenheim Crescent, London W11 2EQ, telephone 01-727 1929.

Defence openings

The Ministry of Defence spends £8 billion a year, making it the country's biggest industrial customer. A report published yesterday says that it could get more value for the taxpayer by providing more support for small high-tech firms. The Small Business Research Council says that such suppliers are dynamic and, a sample of 65 of them, showed that they each produced an average seven new jobs and five new products last year. But the MoD "provides investment only with the prime contractors" which often

MR FRIDAY Ken Pyne



"I'm terribly sorry but I'm retiring tomorrow and it was my last chance to do it"

freezes out small firms from efficiently taking work on their own. Defence Sector Procurement Opportunities of High-Tech Small Firms is available from the trust, priced at £10, at 3 Dean Trench Street, London SW1P 2HB (tel: 01-222 4884).

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AD

FINANCIAL SERVICES

Movement of debt mountain is vital to world prosperity

By Michael Prest

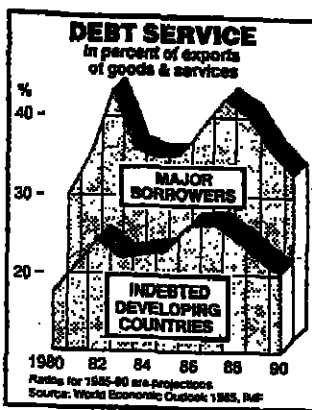
After a deceptive lull, the debt crisis is about to push its way back to the centre stage of world affairs.

The evidence is accumulating that 1986 and 1987 could be the most difficult period since the crisis broke three years ago. How this new phase is handled by borrowers, lenders and international agencies could determine the prosperity of the developed and developing worlds to the end of the century.

The chart summarises the problem. Having declined from its first peak in 1982, when the full gravity of the situation struck public consciousness, developing countries' debt burden will increase sharply again next year and the year after.

The debt service ratio – the percentage of export earnings absorbed by paying off debts – will rise to an average 36 per cent. For the biggest borrowers, essentially the Latin American countries, the ratio will be even higher.

Yet the banks have chosen this moment to stop lending to developing countries. The Bank for International Settlements has reported that international bank lending outside the industrial world declined in the first quarter of this year, the first



The typical rescheduling arising in these circumstances effectively capitalizes interest, thereby easing near-term repayments but adding to the total principal which must eventually be repaid.

Thus Unctad estimates that over the next two years the volume of outstanding debt could swell from \$477 billion to \$536 billion. Without remedial action it could go up relentlessly to \$638 billion by the end of the decade, when the outflow of funds from borrowing countries to banks might be more than \$30 billion annually.

It does not necessarily follow that the only solution is resumed bank lending. In theory a country could mobilize savings more efficiently, concentrate resources on exports and raise funds by direct and portfolio investment, and through bonds.

In practice, however, this is much easier said than done. Most underdeveloped countries by definition have weak financial systems. The Brazilian government, for example, is

considering how to privatize a swarm of state entities which account for so much of its debt.

But it is difficult without a proper stock market and other financial intermediaries. In many of the poorest countries, most people have no assets, and in sub-Saharan Africa the famine has wiped out even the most primitive means of production.

Export-led growth is a slogan familiar to Western governments, not least of all the British. Yet striking a balance in developing countries between diverting resources to export industries and avoiding compressing domestic consumption, for example producing strawberries instead of maize in Kenya, has proved even more elusive.

Such a trend would in any case, require some recovery in commodity prices and a determination by industrial countries to avoid any increase in protection.

Portfolio and direct investment is even less promising, except in the long run when initiatives such as the World Bank's proposed Multilateral Investment Guarantee Agency may help.

World Bank figures show that between 1981 and 1984 the annual flow of private finance to middle-income developing countries – those most likely to attract the overseas investor – fell from \$50 billion to \$22 billion. Net direct investment declined by \$5 billion to a mere \$9 billion.

It seems that the share that all developing countries command

of worldwide foreign direct investment is stagnant at around 25 per cent. Even if it were to jump sharply – which is most unlikely given the attitude of finance directors to Third World investment – direct investment could not substitute for bank credit.

Bonds are a more serious possibility, but bond investors are conservative and will be reluctant to add greatly to the stock of developing countries' debt while there is so much uncertainty about bank debt. Whatever the mixture of financing the conclusion that bank lending should resume sooner rather than later is inescapable.

The dimension of the problem has been graphically described by Mr Reuben Sternfeld, the Inter-American Development Bank's special representative in Europe. At a recent debt conference in London, organized by Webster Communications, Mr Sternfeld pointed out that Latin America's debt burden was twice the size of the reparations imposed on Germany after the First World War.

The implied warning that the debt mountain could have the same dire consequences for the world as did German reparations is not that far-fetched.

The World Bank has pointed out that living standards in Latin America have fallen to

Further cuts in living standards are no longer a policy option

those of the early 1970s, thereby wiping out a decade of growth. Brazil has told the International Monetary Fund that further cuts in living standards have ceased to be a policy option.

Nor are the consequences confined to developing countries. Unctad estimates that the sharp fall in industrial countries' exports to developing countries cost members of the Organisation for Economic Cooperation and Development about three million jobs in the three years to 1984.

The irony is that the debt hump is looming just as the major debtor's economies appear to be growing again.

The spectacular turn round has been in Latin America where a contraction of 2.4 per cent in 1983 has been turned into an expansion of the same amount this year.

Renewed growth has been accompanied by a distinct improvement in the developing countries' balance of payments. The World Bank has calculated that for middle-income developing countries, which constitute the bulk of developing country trade, the physical balance of trade has swung from a deficit of \$62 billion in 1981 to a surplus of \$27 billion last year.

But debt interest payments soared over the same period from \$39 billion to \$66 billion. As a result these countries' current account balance still recorded a \$28 billion shortfall in 1984.

The aggregate figures, moreover, are

over, conceal the crucial point that the improvement in the physical balance of trade was bought at the cost of severe compression of imports. In 1983, according to Unctad, Latin America's imports fell by almost 30 per cent, and last year they were almost unchanged. Imports to Africa collapsed by a fifth in 1983 and by a quarter in 1984. One result was that investment outlays in Latin America declined by \$40 billion annually between 1982 and 1984, at precisely the time when an increase in productive capacity was needed to pay off the debts.

Factors other than debt have played the part in this disaster. The lowest real commodity prices since the 1930s, the sharp slowdown in world trade in the early 1980s, and the contraction of industrial countries' demand for Third World imports caused by restrictive monetary and fiscal policies (in varying combinations) have all contributed to developing countries' problems.

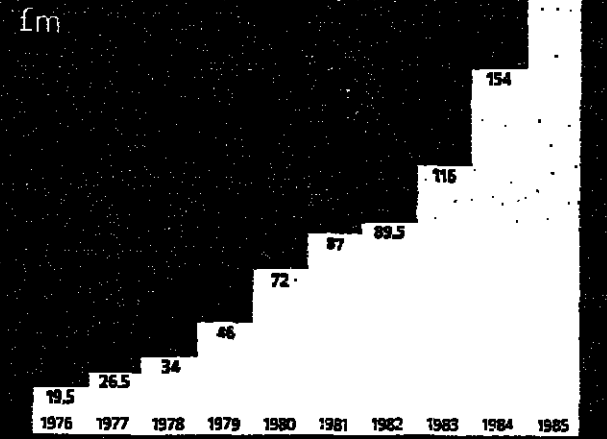
Unctad has calculated that the fall in commodity prices alone from 1981 levels cost developing countries \$38 billion between 1982 and 1984.

But none of these problems is independent of the debt question, which is intimate to all of them. Indeed, so serious is the near-term outlook that a resolution of the debt problem is a precondition for tackling the others. Commodity prices are a long-term proposition, and austerity – cutting imports and investment to pay debts – has reached its limits.

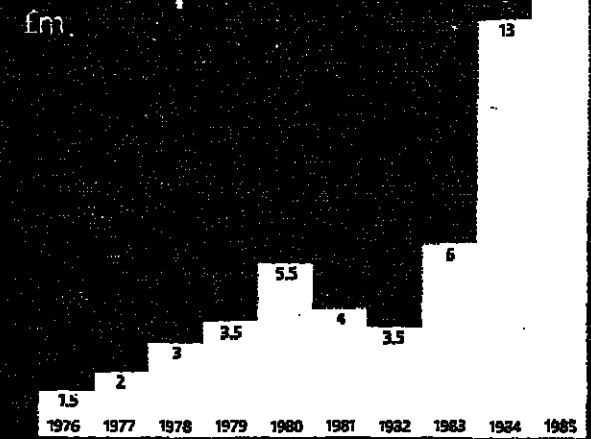
By contrast, debt is an immediate problem. More than half the increase in interest payments by developing countries in the early 1980s was caused by the rise in interest rates from the levels of 1976-9 when the borrowings were made.

The continuing American budget deficit, which holds out the prospect of enduring high interest rates, is therefore critical. Getting over the debt hump will require a helping hand from Washington, not merely exhortations to more sacrifice and greater prudence.

Sales 1976-85



Pre-tax profit 1976-85



CONTINUING GROWTH FOR UNITECH

Report on 1984-85

Sales in the year ended 1st June 1985 exceeded £200 million for the first time.

Profit before tax increased by 15% to £15.0 million.

Dividend A total dividend of 5.635p per share is recommended, an increase of 15%.

Our prospects

Orders and sales for the first two months of the current year are ahead of last year. However, although the electronics industry has strong growth characteristics in the long term, it is subject to significant cyclical movement, and currently the supply of electronic components is in surplus. Compared with the rapid expansion in the last two years we would expect at best only moderate growth this year. To date the cycle has largely followed the pattern of previous cycles and the Group is now well placed to participate fully in the expansion phase when it returns.

Peter Curry, Chairman

If you would like a copy of the Annual Report please write to the Secretary, Unitech plc, Phoenix House, Station Hill, Reading RG1 1NP.

UNITECH

plc

A group of companies principally engaged in manufacturing and marketing electronic components and equipment.

"Substantial profit growth in first half of 1985"

The results demonstrate both the growth of the Group and the value of the acquisition programme over the last few years.

The Company continues to make encouraging progress and to seek new opportunities for further growth.

Unaudited 1985 Interim Figures

	June 30 '85	June 30 '84
Pre-tax profit	£10.05m	£5.27m
Extraordinary profit	£6.05m	£4.19m
Earnings per share (excluding extraordinary profits)	4.30p	2.30p
Interim Dividend	1.20p	1.10p
Funds under management worldwide	£4,800m	£3,900m

UK Investment Management

Offering investors the widest range of unit trusts of any UK group, this division also manages pension funds and other portfolios. Profits improved significantly in the half-year and we continue to expand our product range in the UK and overseas.

International Investment Management

Funds managed by Gardner & Presion Moss, reached US\$3 billion compared with US\$1.7 billion managed in 1983 when the company was acquired. The benefits from reorganising Financial Programs are now clearly seen. Profits of this division again increased significantly.

Merchant Banking

Singer & Friedlander including its property interests, continued to progress and made an excellent contribution of £3.2m to the Group's profit. This compares with £1.5m for the first half-year of 1984, when only two months' profit was included.

Insurance

Our new offshore subsidiary, NEL Britannia International Assurance was launched in January this year, and sales exceeded our expectations. Later in the year we will be launching in the UK, NEL Britannia Assurance with a range of innovative new products.

APPOINTMENTS

Powell Duffryn: Mr R D C Hubbard takes over as chairman and Mr W G Andrews as chief executive from December 31. Mr M A Wilkinson has been made chairman of the group's shipping activities in succession to Mr J R Carr who has resigned. Mr J A Mills, a non-executive director is to join the board of Hamworthy Engineering and will succeed Mr Andrews as chairman. Mr J H Pascoe will succeed Mr Andrews as chairman of the group's bulk liquid storage activities while remaining chairman of fuel distribution. From January 1 Mr A E Darling will be group financial controller and on April 1 Mr P J W Shurtleworth will be appointed secretary.

Rolls-Royce: Mr A D Jackson has been made director of international affairs.

International Leisure Group: Mr H Parry joins the board and becomes group financial director, succeeding Mr P Woodward who, as deputy chairman, will continue his role of developing the group, monitoring overall financial performance and controlling all treasury matters. Mr R Smart becomes executive director of corporate planning and development.

Base Lending Rates

ABN Bank	11 1/2%
Adam & Company	11 1/2%
Barclays	11 1/2%
BCCI	11 1/2%
Chenbank Savings	11 1/2%
Consolidated Credit	11 1/2%
Continental Trust	11 1/2%
Co-operative Bank	11 1/2%
C. Hoare & Co	11 1/2%
Lloyds Bank	11 1/2%
NatWest Bank	11 1/2%
Nat Westminster	11 1/2%
TSB	11 1/2%
Williams & Glyn's	11 1/2%
Citibank NA	11 1/2%

† Mortgage Base Rate

COMPANY NEWS

● YULE CATTO: An interim dividend of 2.5p (2.25p) payable on October 18, has been announced for the six months to June 30. With share turnover of £3,513 (£4,109), pretax profit 4,885 (£2,226). Savings per share were 11 (11.9p) and net assets per share were 232p (216p).

● LAIDLAW GROUP: An interim dividend of 1.1p (same) has been declared for the six months to June 30. The directors hope to recommend a final dividend of at least as high as the 1.4p per share of last year. With figures in £000, turnover was 39,490 (40,593). Pretax profit was 394 (386) and earnings per share were 2.8p (4.5p).

● PENTOS: For the half-year to June 30, with figures in £000, turnover slipped to 21,810 (22,610), but pretax profit jumped from 126 to 441. With earnings per share up from 0.28p to 0.91p, an interim dividend of 0.175p is being paid. For 1984, a single dividend of 0.35p was paid.

● A.T.A. SELECTION: For the first half of this year, with figures in £000, turnover was 1,311 (1,098). Pretax profit reached 276 (256), while earnings per share were 1.75p (1.38p).

● OWEN OWEN: For the half-year to July 27, with figures in £000, turnover rose to 40,027 (37,427), while there was a pretax loss of 147 (loss, 798). The loss per share was 2.12p (loss 9.01p). The interim dividend is 1.25p (1p).

● ABERDEEN AMERICAN PETROLEUM: For the half-year to June 30, with figures in £000, oil and gas sales were 441 (303). The pretax loss was 556 (loss 407).

● DELANEY GROUP: An estimated dividend of 0.8p (same), payable on November 22, has been announced. Results for the six months to June 30, with figures in £000, show turnover up to 3,678 (3,382), operating profit to 390 (308), pretax profit to 263 (238). Earnings, per share were 1.6p (1.73p).

● JACKSONS DOUBNE END: Jacksons expects to complete its move to a new factory at High Wycombe, Buckinghamshire, by the end of next month. The company hopes to achieve a significant increase in sales of expanded polystyrene products. The interim statement for the half year to September 30 will be issued in December.

● BEMROSE CORPORATION: For the six months to June 29, an interim dividend of 1p (4.4p) is

being paid. With figures in £000, turnover was 30,404 (23,826). There was a pretax loss of 728 (profit of 261) after interest of £27 (321). Earnings per share rose to 7.57p (0.32p). The company expects to return to profitable trading in the second half.

● STEEL BURELL JONES GROUP: Results for the first half of this year, with figures in £000, show turnover up to 3,225 (2,089) and pretax profit to 1,544 (884). The interim dividend is going up from 0.5p to 0.7p. Earnings per share were 9.9p (5p) and there is a proposed scrip issue of one-for-one.

● COOPER INDUSTRIES: An interim dividend of 4 pence is being paid on January 6. For the half-year to July 31, with figures in £000, turnover rose to 13,844 (10,375). Pretax profit climbed to 473 (313). Earnings per share were 1.2p (0.7p). The board expects the full year's results to show further progress.

● A. CAIRD AND SONS: Cardiff Property has acquired 630,000 ordinary shares in A. Caird (13 pence) for £251,913, in cash. These shares have been acquired as a trade investment.

● LOWE HOWARD-SPINK CAMPBELL-EWALD: For the first half of this year, with figures in £000, turnover was 23,954 (24,566), while pretax profit was 1,404 (1,214). Earnings per share rose to 7.25p (5.8p). An interim dividend of 2p is being paid, compared with a single dividend of 2.6p last time.

● SPONG HOLDINGS: Spong is reporting for the first four months of 1985, compared with the first four months of 1984. With figures in £000, sales were 783 (1,788). The pretax loss was 78 (profit, 71.5). No interim is being paid, compared with a single payment of 0.1p last time.

● PROMOTION HOUSE: A & M Hire has agreed to buy 3.6 million ordinary shares (14.4 per cent of Promotions' capital) at 27p each from London Securities for £990,000. Promotions and A & M have also started merger talks.

● SAXON OIL: Saxton is to buy Esso Petroleum, a subsidiary of Sengul Petroleum, which is ultimately owned by Denison Mines of Canada. Saxton is to pay about £57,500 in cash for Esso and discharge amounts owing to its parent company. The transaction will be adjusted to reflect the balance sheet cash position at completion.

Britannia Arrow Holdings PLC – international financial services

For further information please write to The Secretary Britannia Arrow Holdings PLC, 80 Coleman Street, London EC2R 5AD.

RACING: DOUBIE-TRAINED THREE-YEAR-OLD TO SHOW THE WAY IN BIG SCOTTISH SPRINT

Home Blade can handle Ayer's testing conditions

By Mandarin (Michael Phillips)

The ground will be testing to the extreme for today's feature event, the Ladbroke Ayer Gold Cup. While no one knows for sure whether my nap, the ante post favourite Home Blade, will handle the conditions underfoot, the feeling abides at Newmarket, where he is trained by Oliver Douieb, that he will.

Home Blade has won on soft ground and what is more he has won over seven furlongs, as well as over today's distance of six, so he will be running on when others have cried enough.

When he finished eighth in the Stewards Cup at Goodwood, Home Blade never really got into the hunt on a course that was perhaps a shade too sharp for him. Yet at the end he was still only two lengths behind Al Trui and Our Jack, the first and second, and following that most authoritative victory at Newmarket last week it is known that he is expected by his shrewd and talented trainer to beat those two rivals this time and so give his owner Mahmoud Fustok his second taste of success in the race in four years following Famous Star's victory in 1982.

By sheer coincidence Famous Star was partnered by Eddery, the very man to have been entrusted with the ride on Home Blade this afternoon. On that occasion Famous Star was drawn low on the far side of the course. So has Home Blade which should suit him ideally.

Lester Piggott, in the twilight of his riding career, will be on the top weight Grey Desire who hooked up from a strong place in very soft ground at Kempton in the spring and has been on the go at the highest level ever since. However, only Roman Warrior has managed to carry

Ayr go-ahead

Racing at Ayr will take place today, provided there is no further rain. Yesterday's meeting was cancelled because parts of the course were waterlogged, but with the rain receding the track has dried out in time for today's televised meeting which features the Ayer Gold Cup.

which is restricted to fillies and run over seven furlongs, was won by Dubian 12 months ago and by Mahogany the year before that.

Included in the prize given by Messrs Haynes Hanson and Clark is a case of excellent claret from their renowned wine cellars in London. This fancy will be the treat in store for Sheikh Maktoum al Maktoum, the owner of my selection Shabaab, who impressed me a lot at Kempton earlier this month with his response once Steve Cauthen sat down and got to work. On that occasion Shabaab finished very strongly indeed to beat Galactic Hero, whose stable companion Shahtantani is one of two fancied runners at Ayr. As a Khan has in the field, the other being the recent easy winner Badarbak.

As a long-time friend of Henry Cecil, Ben Leigh, the managing director of Stable Stud and Farm insurance brokers, will be more than happy to see his prize also won by the Warren Park representative who in this instance is Miss on the Floss, a choicely bred filly by Mill Reef out of Milly Moss, a Crespello mare who won the Cheshire Oaks.

By all accounts her daughter can step on a bit too, but she will certainly need to be able to do that, to beat the marginally more experienced Utopia, who shaped so nicely in her only race at Bath and Shujin, who has been knocking at the door in her three races.

Sharrood and Eves Error, both owned by Sheikh Mohammed, but trained in different quarters, Sharrood by Dick Hern at West Ilsley, Eves Error by Michael Stoute at Newmarket, are both fancied to go well in the Fairhurst Nursery even under their big weights.

Fleet Form, Nagajaya and Running Pack are others whose chances are apparent when thumbing the pages of the form book but I am happy to rely on the lightly weighted Pitprop, who was a sick horse when he ran badly in his last race at Newmarket for which he started favourite. He is fine again now and his chance, which is a good one at these weights, is better judged on his victory over this distance at Chester.

● Townley Stone can make a winning debut in France today at Enghien in the £8,937 Prix de La Gascogne. Townley Stone has not raced since winning a novice chase at Ascot in April. He was ridden by John Webber. Now under the care of Martin Blackshaw, he will be ridden by his usual rider Graham McCort.

Willie Carson goes clear on the 3-1 chance Khalisiy in the Littlehampton Fillies' Stakes at Brighton yesterday to give trainer Fulke Johnson Houghton his 12th success of the season (Photograph: Ian Stewart)

Awaiting reform on role of stewards

By Michael Seely

The sense of alarm and disquiet felt by the racing community over the decision by the York stewards to disqualify Shadari after beating Damister in the Great Voltigeur Stakes and the subsequent upholding of the verdict by the disciplinary committee of the Jockey Club, together with an additional four-day sentence for careless riding imposed on Walter Swinburn, should not be allowed to obscure the fact that reason for the present inconsistency in judgments lies more in the relevant Jockey Club rule 153 than in its interpretation.

At present the Jockey Club are considering the report of a committee, which has been sitting under the chairmanship of General Sir Cecil Barker, the deputy senior steward. Its brief has been to inquire into the whole question of stewards at race meetings. And according to a release from Portman Square "a series of wide ranging measures approved by the Jockey Club to reform the present system" will be announced on September 30.

In the Shadari affair, Swinburn switched his whip from his left hand to his right in order to get his mount running. Unfortunately the colt started to hang towards the inside. Just before the three-year-olds touched about 50 yards from the finish, Swinburn put down his whip. He then eased Shadari and at the last the margin was only a neck.

The feeling was that the decision of the York stewards had been incorrect and that they had misinterpreted rule 153, which states that the placings can remain unaltered provided that the result has not been affected. Most people watching thought that Damister was a better horse at the time.

Michael Stoute, Shadari's trainer and Swinburn then appealed to the ultimate authority, the disciplinary committee. Quite a few sound judges of the situation considered this to be a tactical and unsound move as the whole case was reopened, when these matters are referred to Portman Square.

Their forebodings were justified when the committee, under Sir William Dugdale, not only found Swinburn guilty of careless riding. They also ordered Stoute and

Swinburn to forfeit their individual £150 deposits which was tantamount to accusing them of making frivolous protests.

To say that this decision caused consternation among trainers and jockeys is putting it mildly. Watching the replay of a race on television, it is rather like looking at a picture moving about on a chess board. The reality is somewhat different. It is a world of violent actions and instant decisions, as in all sports.

Swinburn's galvanisation of Shadari had been an example of English jockeyship at its finest. The inference had been minimal and nothing dangerous had occurred. It is felt that it is not appreciated that cases like this are light years in terms of gravity of offence removed from the incident in which Swinburn was disqualified for 21 days for his reckless riding of Lord Grundy at Epsom in the spring. There the jockey took a calculated chance and deserved to be found guilty.

Joe Mercer, Britain's senior jockey, said "Along with several other jockeys I watched the race on the box. The head-on view is a different one from the normal film. It appeared to us that Walter had done everything in his power to prevent them touching. We all felt the same. As for the Portman Square decision, it is a highly respected professional like Michael and Walter forfeit their deposits as a real smack in the face."

Stoute is a cautious and reserved man and his only comment was "I decided not to be legally represented as we have always had fair hearings from Lord Fairhaven and Sir John Astor in the past."

There is no doubt that Rule 153 should be changed so that more onus should be placed on the stewards at disqualifying the winner on merit, than is the case at present.

from other considerations, enormous trust is placed by all professionals in the impartiality and integrity of the Jockey Club, and the system is unlikely to be changed radically. One is tempted to hear the views of the industry as we await the Jockey Club's new measures.

HORSE TRIALS

Cartier to get first three-day outing

By Jenny MacArthur

After some lean years Captain Mark Phillips now has one of the most enviable strings of young event horses in the country. He will give his six-year-old Cartier, by Master Spiritus, his first three-day event outing at the Chesham Remy Martin horse trials in Nottinghamshire which start today.

Cartier, who is loaned to the Range Rover team by Ernest and Sarah Tooty Hall, won the 1982 Working Hunter of the Year before starting his eventing career. Upgraded from novice to intermediate this year, he has been placed at all his outings since July, his most recent success being at Tetbury last weekend where he was second in his intermediate section.

Oberton, with its well-built, inviting country, has long been a favourite with the riders seeking to give a horse its first three-day event competition. Others making their debut include Rodney Powell's Regatta, Charles Strachan's Master Fiddler (yet another event horse by Master Spiritus) and the six-year-old Joint Venture ridden by Mark Todd, New Zealand's Olympic individual and team champion. Todd, who manages to get the best out of any horse he rides, won the Novice Futurity class on Joint Venture at Tetbury.

In the senior section, which includes the advanced horses, Sally Anne Eggleston with Star Burn, who were second at Gatcombe and Lucy Thompson with The Chairman, were third at Tetbury, are likely to finish among the leaders. They will face strong opposition this year from the Irish, who having had many of their early events cancelled due to the rain, are fielding a particularly strong contingent. John Watson, fourth at the European championships at Burghley, who rides Tulliney.

The three-day event starts with dressage at 10.30, followed by cross-country tomorrow over a course built by Michael Foljambe, the events organizer, and his estate staff. The final phase, the showjumping, takes place on Sunday.



Phillips: envied

DRESSAGE

Fine style accounts for victory

By a Correspondent

At the dressage to music national championships, Jennie Loriston-Clarke on Masterlock Recruitment's brilliant six-year-old, Catherine Dutch Bid, beat older and more experienced horses yesterday to win the first of the packed house, senior and advanced.

Their work showed style, elegance and fluency and augured well for their chances today and Saturday at the Taylor Woodrow national championships, which will be the last of the three-day eventing season. The partnership, possibly Britain's brightest hope for international honours, will be busy, having qualified for three different grades of championship (elementary, senior and advanced).

This young horse is not ready for the most advanced tests but in these Mrs Loriston-Clarke will ride his half-brother Dutch Gold. She faces strong opposition, the favourite being Catherine Barrie on Willy Trout. They will be making their first competitive appearance in Britain since winning Rotterdam's World Cup qualifier and narrowly European championship last year. RESULTS: 1, Catherine Dutch Bid (Mrs J. Loriston-Clarke) 20.2; 2, Emma (Mrs J. Loriston-Clarke) 19.8; 3, Legal Master (Miss P. Stewings) 19.2.

RESULTS: 1, Catherine Dutch Bid (Mrs J. Loriston-Clarke) 20.2; 2, Emma (Mrs J. Loriston-Clarke) 19.8; 3, Legal Master (Miss P. Stewings) 19.2.

CARRIAGE DRIVING

Duke will be absent

By a Correspondent

The Duke of Edinburgh will be unable to take part in the Famous Vase national championship at Windsor from September 20 to 22 because of other duties.

This leaves George Bowman, driving for James Dalton Spices, clear favourite in the boys' teams class with Alwyn Holder likely to provide his closest challenge.

Mark Broadbent, with the Tom Martin Metals Group pony team, will suffer his first defeat this year if he is beaten by Claudia Bunn. Either of the Bunnets sisters may finish third in the girls' class. Paul Gregory, 1983 and bronze medal winner at last week's Sandringham world championships, should win the horse pairs national championship.

TODAY'S FIXTURES

FOOTBALL

Fourth Division
Cambridge United v Exeter City
Southend United v Wrexham
Barnet v Luton
HOCKEY: Home Counties under 21 women's tournament (at Banbury)
Rugby: Gloucestershire v Bath
Golf: Southdown championship (at Banbury)
Tennis: World junior championship (at Chesham)
Snooker: Rothmans' grand prix (at Bristol)
Horse Trials: Chesham Remy Martin three-day event.
Taylor Woodrow national championships (at Goodwood)
Championship of Great Britain (at Goodwood)
Speedway: Weymouth (at Weymouth)
League Four: Team (at Epsom) 7.15

AYR		Ch4	
Tevised: 3.30, 4.5, 4.40.			
Going: heavy.			
Draw: 5-6-6, high numbers best; 7-11, low.			
2.30 KINTYRE STAKES (3-y-o fillies; £1,571; 7f) (7 runners)			
04	2-00001	MUMBLEY (M. J. R. H. 9-2)	M. Brock 1
05	3-00001	VIKING (M. J. R. H. 9-2)	K. Hodgson 4
06	32-0431	SHONA BELLE (M. J. R. H. 9-2)	J. Duggan 9-2
07	02	ANICLA (P. W. R. 9-2)	P. Reed 1
08	00	CALIFORNIA LINK (P. Bickley & O'Keefe 9-2)	L. Chermack 6
09	02	CONCORDE VALLEY (M. J. R. H. 9-2)	D. Paul 5
10	00000	PRETTY PRINCE (M. J. R. H. 9-2)	D. Leadbetter 5
11	00000	PRINCE OF SENSATION (M. J. R. H. 9-2)	N. Norton 9-2
12	11	VIENNI (M. J. R. H. 9-2)	Prize 10

Ayr selections	
2.30 Hunslet, 3.0 Tracing, 3.30 Our Tilly, 4.5 HOME BLADE (nap), 4.40 Crie Car, 5.10 Count Colours.	By Our Newmarket Correspondent
2.30 Concorde Valley, 3.0 Romitosis, 3.30 Our Tilly, 4.5 Home Blade, 4.40 Concorde, 5.10 Romitosis.	Michael Seely's selection: 4.5 AIR COMMAND (nap).

3.0 WEIR MEMORIAL HANDICAP (3-y-o; £4,071; 1m 2f) (8)	
201 214000 CALORGE (D. E. S. George) P. H. 9-2	L. Piggott 5
202 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
203 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
204 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
205 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
206 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
207 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
208 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
209 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5
210 200114 TRACING (D. E. S. George) P. H. 9-2	F. W. 5

3.30 HILL SAMUEL INVESTMENT SERVICES STAKES (2-y-o; £3,384; 6f) (9)	
305 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
306 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
307 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
308 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
309 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
310 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
311 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
312 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
313 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5
314 21 00001 OUR TILLY (D. E. S. George) P. H. 9-2	L. Piggott 5

4.5 LADBROKE'S AYR GOLD CUP (Handicap; £19,241; 6f) (25)	
401 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
402 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
403 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
404 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
405 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
406 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
407 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
408 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
409 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11
410 000004 GREY DESIRE (D. E. S. George) P. H. 9-2	L. Piggott 11

NEWBURY (BBC)	
Tevised: 2.30, 3.0, 3.30, 4.0	
Going: good to firm	
Draw: 5f-11m, high numbers best; soft going	
2.0 FALKLAND HANDICAP (3-y-o fillies; £3,164; 1m 2f) (10 runners)	
1-0-131 CONSERVATOIRE (D. E. S. George) P. H. 9-2	
2-0-00001 SINGLE LOVE (D. E. S. George) P. H. 9-2	
3-0-00001 TOP OF THE WORLD (D. E. S. George) P. H. 9-2	
4-0-00001 TREMBLING (D. E. S. George) P. H. 9-2	
5-0-00001 TIGER CREEK (D. E. S. George) P. H. 9-2	
6-0-00001 GLASSY (D. E. S. George) P. H. 9-2	
7-0-00001 SEA TRAIL (D. E. S. George) P. H. 9-2	
8-0-00001 FORTUNE (D. E. S. George) P. H. 9-2	
9-0-00001 FORTUNE (D. E. S. George) P. H. 9-2	
10-0-00001 ELECTROPET (D. E. S. George) P. H. 9-2	

Newbury selections	
2.0 Conservatoire, 2.30 Shabaab, 3.0 Creager, 3.30 Mill On The Floss, 4.0 Polly Daniels, 4.30 Pitprop.	By Our Newmarket Correspondent
2.0 Conservatoire, 2.30 Shabaab, 3.0 Wind From The West, 3.30 Mill On The Floss, 4.0 Provided, 4.30 Pitprop.	By Michael Seely
4.0 Polykratis, 4.30 Starrood.	
2.30 HAYNES, HANSON & CLARK STAKES (2-y-o colts & geldings; £5,050; 1m) (18)	

2.30 HAYNES, HANSON & CLARK STAKES (2-y-o colts & geldings; £5,050; 1m) (18)	
2 1-00001 BADARBAK (Age 3; R. H. H. H. 9-2)	R. Hills 13
3 1-00001 SHABAAB (Age 3; R. H. H. H. 9-2)	S. Cauthen 13
4 1-00001 TWIRLING (Age 3; R. H. H. H. 9-2)	W. Carson 13
5 1-00001 BARKANA (Age 3; R. H. H. H. 9-2)	G. Bester 13
6 1-00001 COCOLOUTO (Age 3; R. H. H. H. 9-2)	J. Duggan 13
7 1-00001 HANSELY (Age 3; R. H. H. H. 9-2)	T. W. 13
8 1-00001 MIRAGE DANCER (Age 3; R. H. H. H. 9-2)	S. Whitmore 13
9 1-00001 MYSTIC (Age 3; R. H. H. H. 9-2)	C. Armstrong 13
10 1-00001 MYSTIC (Age 3; R. H. H. H. 9-2)	C. Armstrong 13
11 1-00001 PALEWELL'S COMET (Age 3; R. H. H. H. 9-2)	P. Robinson 13
12 1-00001 SATISFACTION (Age 3; R. H. H. H. 9-2)	P. Robinson 13
13 1-00001 UNBROKEN (Age 3; R. H. H. H. 9-2)	P. Robinson 13
14 1-00001 SHAKES (Age 3; R. H. H. H. 9-2)	W. R. Shugan 13
15 1-00001 SKI DOWN (Age 3; R. H. H. H. 9-2)	W. R. Shugan 13
16 1-00001 SURF (Age 3; R. H. H. H. 9-2)	J. Shugan 13
17 1-00001 TRIPLE BLUFF (Age 3; R. H. H. H. 9-2)	J. Shugan 13
18 1-00001 TRIPLE BLUFF (Age 3; R. H. H. H. 9-2)	J. Shugan 13

Pretoria to pull back from Angola

From Michael Hornsby
Johannesburg

South African troops which crossed into southern Angola from South Africa-occupied Namibia on Monday have been ordered to withdraw "in phases" to their home base by the weekend.

The withdrawal announcement, made last night by General Constand Viljoen, Chief of the South African Defence Force, came in the wake of strong American and European criticism of the Angolan operation.

It was not clear, however, whether the adverse foreign reaction had speeded up the withdrawal. Military commanders said when the operation started that they expected it to last about a week.

General Viljoen claimed that the incursion had disrupted "logistics lines" of Swapo (South-West African People's Organisation) guerrillas fighting for the independence of Namibia from bases in southern Angola, and "destroyed large amounts of weapons and ammunition."

There had been no casualties among the South African forces he said. Two Swapo guerrillas had been shot dead in skirmishes.

Military spokesmen here brushed aside claims by Angola that the real purpose of the operation was to aid Angolan insurgents of Dr Jonas Savimbi's Unita movement in a battle with Angolan Government and allied Cuban forces.

Western protest: The United States, Britain and its EEC partners yesterday strongly denounced the latest South African raid into Angola (Nicholas Ashford writes).

In London, the Foreign Office issued a statement strongly condemning the attack and calling for an immediate withdrawal of South African forces from Angola. The statement said such actions undermined the stability of the region and damaged international efforts to achieve a settlement in Namibia.

In Washington, the State Department rejected South Africa's assertion that it has the right to intervene in Angola in order to defend its presence in Namibia.

Abbey's £10m battle with pollution

By Tony Samstag

Almost all of Westminster Abbey is to be refaced with new stone because of air pollution damage. The work is not expected to be finished until the early 1990s at a cost of more than £10 million.

The work, which began in 1973, in "the biggest job of restoration since Sir Christopher Wren", according to Mr Peter Foster, the surveyor in charge of the project.

At the end of last year, 53,535 cubic feet - almost 4,000 tonnes - of new stone had been fitted, with more than 20 stonemasons at one stage employed full time.

Sulphur dioxide pollution, which in recent years has become associated with "acid rain", is almost certainly to blame for the erosion. But it is far from a new problem.

Mr Foster said this week: "When himself was very conscious of how the emissions from burning 'sea-coals', as coal was known then, affected the stone. It has always been important to recognize stones that would withstand pollution."

Worst affected is the Chancel, where the stonemason used by George Gilbert Scott in restoration work carried out on the abbey about 100 years ago. His replacement Portland stone, is much more resistant.

Acid pollution in its various forms - as rain, solid particles, vapour, mist or snow - attacks most types of limestone, dissolving, eroding and often causing a peeling effect known as "foliation".

The refacing project has been financed mainly through corporate donations, by the Westminster Abbey Trust, of which the Duke of Edinburgh is chairman. It has received little publicity because "I like to do my own thing quietly," Mr Foster said.

His protected war against the effects of sulphur dioxide pollution has made him something of an authority on acid rain, and he describes himself as "very suspicious of it".

Noting that sulphur dioxide can be produced by natural occurrences such as rotting vegetation and volcanoes, he feels more research is necessary before extra money can be spent cleaning up emissions from power stations.

"It's a little bit like a doctor giving you medicine before he knows what's wrong with you. I no longer give the campaign my blessing. I feel it's all becoming rather absurd," he said.



Pinnacles of new Portland stone on the south nave of Westminster Abbey, replacing old Chiltern and Bath stone damaged by sulphur dioxide. (Photograph: Ros Drinkwater).

Reselection rule change for Steel

Continued from page 1

The leadership, undoubtedly irritated by the unexpected hiccup, failed to point out that a leader could still seek a vote of confidence after a successful election campaign - when a challenge would be unlikely.

There are fears of a leadership defeat today over policy towards Ireland, and of a setback for the efforts of Liberals and Social Democrats to present an agreed programme to voters (Julian Haviland writes).

The assembly is to be asked to endorse a joint report.

There was caution about the findings of a Gallup poll in yesterday's *Daily Telegraph*.

The figures were: Conservative: 39 per cent; Labour: 29 per cent; Alliance: 29 per cent; others: 3 per cent. (The poll was taken over the last week of September 1985.)

Photograph, conference reports, page 4

Missionary's fears for US hostages

Continued from page 1

The kidnapped foreigners still held in Lebanon:

● William Buckley, aged 57, US Embassy political officer kidnapped March 16, 1984.

● Peter Kilbride, aged 60, American librarian at the American University of Beirut, reported missing December 1984.

● The Rev Lawrence James, aged 50, American Roman Catholic priest, kidnapped January 3, 1985.

● Terry Anderson, aged 37, American chief Middle East correspondent of the Associated Press, kidnapped March 16, 1985.

● Marcel Fournier, aged 45, French Embassy vice-consul, kidnapped March 22, 1985.

● Marcel Caron, aged 62, French Embassy protocol officer, reported missing March 22, 1985.

● Michel Serrat, French researcher for the Centre for Studies and research of the contemporary Middle East, reported missing May 22, 1985.

● Jean-Paul Kaufmann, aged 42, French journalist for *L'Evenement du Jeudi*, reported missing May 22, 1985.

● Alec Collett, aged 63, British freelance writer working with United Nations Relief and Works Agency, kidnapped March 25, 1985.

● David Jackson, aged 54, American director of the American University Hospital, kidnapped May 28, 1985.

● Tom Sutherland, aged 53, Dean of Agriculture at the American University, kidnapped June 9, 1985.

Letter from Moscow Taste of crisis for besieged Britons

"We had a taste this week of what it might be like to be beleaguered in Moscow at a time of deep international tension."

The British community here is not large - about 100 diplomats, support staff, businessmen and journalists (before the expulsions) and their families - and the Moscow environment is the best of times an odd combination of the hostile and the hospitable.

"You are in the enemy camp," one Russian remarked sympathetically as the tit-for-tat crisis mounted.

The British residents, secretly rather relishing the "pull together" atmosphere of crisis and adversity, huddled round the BBC World Service or phoned Reuters for news.

"Am I on the list?" became the anxious and all-consuming question, and all conversation sooner or later came back to the hit lists of the Soviet authorities were drawing up in response to British expulsions of Russians from London.

There were plenty of jokes. ("Will the last one out please turn off the lights," quipped a senior British diplomat), but ultimately people's lives and careers were at stake. It was not really funny at all, and both the chosen and the deprived placed phone calls home, with the usual Moscow delays.

Afterwards, both categories looked for patterns in the Kremlin lists - first "the twenty-five", and then "the six". Why this second secretary not another in the same section of the embassy? Why *The Daily Telegraph* and *Reuters*, but not *The Times* or *Financial Times*?

There was sympathy especially for those who had only just arrived, and whose hard-won Russian language skills and knowledge of Soviet affairs were about to go to waste. As Sir Bryan Cartledge, the British Ambassador, observed, it would take some time to replace trained personnel, both at the embassy and in the community as a whole.

As he also observed, six of those on the Kremlin lists have wives who also work at the embassy or in the surgery and the library, so the Russians in several cases got

"two for the price of one". About the only people to benefit from the episode were the West German firms who specialize in East-West household removals.

For a change, those of us who normally report the news and analyse it were in the spotlight - literally so, as the Western television cameras (but not Soviet ones) recorded arrivals and departures at the embassy.

Repeatedly Sir Bryan swept off in his grey Rolls Royce to the Stalin gothic Foreign Ministry 10 minutes' drive away, and returned grim-faced to brief British journalists, some of whom - such as Robin Gedy of *The Daily Telegraph* and Mark Frankland of *The Observer* - ended up reporting their own tit-for-tat expulsion.

It is an unfortunate beginning for Sir Bryan, who arrived only in July. He is determined to rebuild Anglo-Soviet relations. This is the task of those of us who remain here in Moscow.

The Russians were uncompromisingly tough in their responses, and there is little doubt that Mr Mikhail Gorbachev was showing the "iron touch" behind his affable smile.

But they threw out only two businessmen, and the Scottish trade mission, which coincidentally flew into the Anglo-Soviet storm last Sunday was received as if hostilities had not broken out.

Apart from the embassy's political, cultural and consular sections, it is the Moscow journalists community which is worst hit. Reuters have lodged applications for replacements for the expelled correspondents.

One of the most counterproductive moves was the expulsion of Tim Sebastian, who as the first resident correspondent for BBC television had been able to give British viewers an image of life inside Russia in pictures as well as words. The fact that Soviet officials say they regret having to pick on him and the five other journalists is small comfort.

In the end - as the officials themselves note - it is mutual understanding which suffers.

Richard Owen

THE TIMES INFORMATION SERVICE

Today's events

Royal engagements

Princess Anne, President, the Save the Children Fund, attends the Diana Ross concert, Albert Hall, 7.35.

The Duke of Gloucester attends the Friends of the Earth Trust's Celebration of the British Countryside at Luton Hoo, Beds, 7.40.

The Duke of Kent, as President, the Royal National Lifeboat Institution, visits lifeboat stations at Skegness, 10.35 and Spurn Point, 11.40; later he opens Cavern Storage for the Calor Group at Humberstone, 12.30.

The Duchess of Kent, as Patron, attends The Samaritans' annual conference, York University, 11.15. Princess Alexandra attends a

banquet at Guildhall, City of London, given by the Verous Forum, of the Royal Society of Medicine for the delegates attending the First United Kingdom meeting of the Union Internationale de Philologie, 7.45.

Exhibitions in progress
French paintings, sculpture, prints and drawings 1500-1900; National Gallery of Scotland, The Grand, Prince St, Edinburgh, Mon to Sat 10 to 5, Sun 2 to 5 (ends Sept 22).

Our First Hundred Years: Tunbridge Wells Museum centenary celebration; The First Museum; Tunbridge Wells Municipal Museum and Art Gallery, Civic Centre, Mount Pleasant, Mon to Fri 10 to 5.30, Sat 9.30 to 5 (ends Sept 28).

Under the Heavens: new work on canvas and paper by Christopher Thomas; Walsall Museum and Art

Gallery, Central Library, Lichfield St, Mon to Fri 10 to 6, Sat 10 to 4.45 (ends Sept 23).

Paintings, colour photographs and mixed media by Andrew Ryder; Usher Gallery, Lindum Rd, Lincoln; Mon to Sat 10 to 5.30, Sun 2.30 to 5 (ends Sept 22).

Music
Organ recital; Liverpool Anglican Cathedral, 12.

Violin and cello recital by students who have been studying with Mark Lubotsky and Pierre Fourrier; Recital Room, Britten Pears School, Snape Maltings, Suffolk, 6.30.

Chamber music concert by the International Musicians Seminar of Prussia; Cover, Methodist Chapel, Chapel St, Penance, 7.30.

Harp recital by Vanessa McKend; St Barnabas' Church, Lisleade, Bucks, 7.45.

Tenth year celebrations: Opening concert with Nigel Kennedy (violin), Stephen Isserlis (cello) and Roger Vignoles (piano); Great Hall, Rarham Maltings, 7.30.

Ashever Festival: Handel birthday concert with the Royal Academy of Music Festival Orchestra; Parish Church of All Saints, Ashever, Chesterfield, 7.30.

General
Upton Hall Exhibition - clocks, watches, horological tools and materials, horological books and journals; Upton Hall, Newark, Notts, 10 to 5.30 daily (ends Sun).

Book Fair: Assembly Rooms, York, 2 to 8, tomorrow 10 to 5.

Trinity Festival: Exhibition of flowers and history, 10 to 6; Trinity Past and Present: a review of Trinity Parish through music, words, drama and dance, 7.30; Holy Trinity Church, Tauxem, 7.30.

Pageant of Flowers, Buryghy House, Stamford, Lincs, 11 to 3 daily (ends Sun).

City of Belfast Flower Show; Mansfield Leisure Centre, Belfast, 2 to 5.30, tomorrow 10 to 5, Sun 1.30 to 5.

Tower Bridge
Tower Bridge will be lifted today at approximately 1.15 pm, and then again at 4.20 pm, 7.15 pm, 8.05 pm, 11 pm and 11.20 pm.

Portfolio
Portfolio - how to play
Monday-Saturday record your daily Portfolio
Add these together to determine your weekly Portfolio total.
If your total matches the published weekly dividend figure you have won outright or a share of the prize money shared for that week, and must claim your prize as announced below.

How to claim
Telephone The Times Portfolio office on 020-3372 between 10.00 am and 3.30 pm, on the day your dividend total matches the published weekly dividend figure. No claims can be accepted outside these hours.
You must have your card with you when you telephone.
If you are unable to telephone someone else can claim on your behalf but they must have your card and the Times Portfolio card with them. No responsibility can be accepted for failure to contact the claims office for any reason within the stated hours.
The above instructions are applicable to both daily and weekly dividend claims.
Some Times Portfolio cards include minor discrepancies in the instructions or the reverse side. These cards are not affected.
The wording of Rules 2 and 3 has been amended from earlier versions for clarification purposes. The Game itself is not affected and continues to be played in exactly the same way as before.

Food prices - lamb prices down

Home produced lamb prices have dropped quite sharply this week, by about 3p-4p a pound on many cuts. Whole leg ranges from £1.39-£1.75 a lb, whole shoulder 79p-£1.10 and loin chops £1.50-£2.08. Dewhurst and Baxters are selling whole legs and whole shoulders at £1.39 and 79p a lb respectively. Other good meat buys are Tesco lamb chops £1.58 a lb and boneless rolled shoulder of pork £0.04; Brelan New Zealand lamb legs £1.19 a lb and sirloin steak £2.29; down 40p a lb. Salford whole leg of New Zealand lamb £1 off shopping bill, and half legs 50p off. Sainsbury's beef topside and H-bone £1.76 a lb, pork leg joint 98p and fresh whole chickens 59p a lb. Fine Fare frying steak £2.28; Marks and Spencer home-produced pork leg joint £1.69 and shoulder £1.39 a lb.

Fishermen have had a good week, and there should be an excellent selection of good quality fish in most areas, particularly plaice, dab and lemon sole. Monkfish, of which only the tails are sold, is a best buy at £1.90-£2.60 a lb. Lemon sole fillets £1.50-£2 a lb, excellent mackerel 45p-60p and haddock fillets £1.60-£1.80 are all cheaper than last week. Plaice fillets £1.80-£2.10 a lb, whole plaice 60p-90p and cod fillets 88p-£1 are other good buys. Lobster £4.80-£6 a lb and dressed crab £1.10-£2 are scarce, but mussels 36-

48p a lb and oysters 35-48p each should be plentiful.
Bananas 38-45p a lb are not only Britain's second favourite fruit after apples, but are also very nutritious. They should be eaten ripe, dark yellow and slightly spotty. As the unripe fruit is high in starch, there are many varieties of plums with English Marjorie Seedlings 40-50p a lb probably the best buy. The first English Coxes are in the shops at 40-45p a lb and russets 30-40p are also available. Grassy Smiths from the Cape, New Zealand, Spain and France are 30-45p a lb and Golden Delicious 30-35p. Best pears are French, Spanish and Italian Williams 25-35p a lb. Peaches and nectarines are a little dearer as they are mostly large sizes. Spanish honeydew melons 40-80p each are excellent value, and there is a good choice of grapes from 35p a lb.

Best vegetable buys are cauliflower 25-35p each and runner beans 25-35p a lb, cumin 10-16p a lb. Primo cabbage 12-18p a lb and English and Jersey courgettes 40-60p a lb. New season Brussels sprouts are good quality at 25-32p a lb.

Green peppers 50-57p a lb, and a good selection of salad ingredients, including lettuce 25-40p a head, cucumbers 18-40p each, cress 10-14p a carton, spring onions 18-25p a lb and tomatoes 28-40p a lb.

Top films

The top box-office films in London:
1 (1) Desperately Seeking Susan
2 (2) Cocoon
3 (3) Rambo: First Blood Part II
4 (4) Suburban
5 (5) Nightmares on Elm Street
6 (6) Crimes of Passion
7 (7) A View to a Kill
8 (8) The Purple Rose of Cairo
9 (9) Brewster's Millions
10 (10) Witness

The top films in the provinces:
1 (1) Desperately Seeking Susan
2 (2) Rambo: First Blood Part II
3 (3) Jesus
4 (4) Brewster's Millions
5 (5) Witness
6 (6) Nightmares on Elm Street
7 (7) A View to a Kill
8 (8) The Purple Rose of Cairo
9 (9) Brewster's Millions
10 (10) Witness

Supplied by Screen International

Top video rentals

1 (1) City Heat
2 (2) The Karate Kid
3 (3) Police Academy
4 (4) The Untouchables
5 (5) The Untouchables
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9 (9) The Untouchables
10 (10) The Untouchables

Supplied by Video Business

The pound

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Weather forecast

A weak ridge of high pressure over S districts at first will collapse as a vigorous depression moves into Ireland from the SW.

6 am to midnight

London, SE, central S, SW England, Channel Islands, S. Wales: Rather cloudy, occasional rain or drizzle; wind S or SE light; max temp 18C (64F).

East Angles, Lincolnshire and central N England: Bright start but misty in places, becoming cloudy with outbreaks of rain; wind S or SE light; max temp 18C (64F).

N. Wales, NW England: Mainly cloudy, outbreaks of rain; wind S or SE light; max temp 18C (64F).

Edinburgh, Dundee, Aberdeen, Central Highlands, Moray Firth: Mainly dry, sunny intervals with occasional rain; wind S or SE light; max temp 18C (64F).

Shetlands: Sunny intervals, showers and drizzle at first, becoming decreasingly moderate later; max temp 13C (55F).

Overseas for tomorrow and Sunday: Tomorrow most places will have rain at times, locally prolonged and heavy especially in the W; after and clearer weather will spread from the N to most places during Sunday.

SEA PASSAGES: S. North Sea, Straits of Dover: Wind variable, becoming S. S. English Channel: Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (E): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (W): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (S): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (N): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (E): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

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English Channel (S): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (N): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (E): Wind mainly S light; locally moderate; drizzle at first, becoming moderate with fog patches; sea smooth or slight choppy.

English Channel (W): Wind mainly S light; locally moderate; drizzle at first,